**Court File No. CV-12-9719-00CL**

*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 ELIZABETH CREARY

(Sworn January 29, 2015)

I, Elizabeth Creary of the City of Ottawa, in the Province of Ontario, **MAKE OATH AND SAY THAT**:

1. I am the Vice President and Assistant General Counsel of 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 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 four orders (collectively, the "**Foreign 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) *Final Order (A) Authorizing DIP Obligors To Obtain Eighth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* (to be entered by the U.S. Bankruptcy Court) (the "**Eighth Replacement DIP Order**");

(b) *Eleventh 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* (to be entered by the U.S. Bankruptcy Court) (the "**Twelfth Amended Cash Collateral Order**" and, together with the Eighth Replacement LP DIP Order, the "**January 2015 Financing Orders**").

(c) *Order Scheduling Certain Hearing Dates And Establishing Deadlines In Connection With Chapter 11 Plan Process* [U.S. Bankruptcy Court Docket No. 1988], as modified by the U.S. Bankruptcy Court on the record on January 20, 2015 (the "**December 2014 Scheduling Order**"); and

(d) *Order Approving (A) Second Amended Specific Disclosure Statement for Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code, and (B) Solicitation Procedures and Shortened Deadlines with Respect to Confirmation of Such Plan* [US Bankruptcy Court Docket No. 2036] (the "**Second Amended Specific Disclosure Statement Approval Order**").

3. Notices of Presentment in respect of the January 2015 Financing Orders (the "**Draft Orders**") have been filed with the U.S. Bankruptcy Court. The Draft Orders are attached hereto as **Exhibit 'A'** and **Exhibit 'B'** respectively. It is my understanding that on or before January 30, 2015, a supplemental affidavit (the "**Supplemental Affidavit**") will be filed with the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**") containing copies of the January 2015 Financing Orders as entered by the U.S. Bankruptcy Court and identifying any material changes from the Draft Orders.

4. Copies of the December 2014 Scheduling Order and the Second Amended Specific Disclosure Statement Approval Order are attached hereto as **Exhibit "C"** and **Exhibit "D"** respectively.

## ***CORPORATE OVERVIEW***

5. The Chapter 11 Debtors were collectively the first private satellite-communications company to offer mobile satellite services throughout North America, initially using two geostationary satellites, as well as a portion of the electromagnetic spectrum known as the L-Band.

6. The Chapter 11 Debtors are in the process of building what was at the time of the filing the only 4th Generation Long Term Evolution ("**4G LTE**") open wireless broadband network that incorporates nationwide satellite coverage throughout North America and offers users, wherever they may be located, the speed, value and reliability of universal connectivity.

7. Through a unique wholesale business model, entities without their own wireless networks, or that have limited geographic coverage or spectrum, will be able to market and sell their own devices, applications and services at a competitive price using the Chapter 11 Debtors' 4G LTE network.

## ***BACKGROUND ON PROCEEDINGS***

8. On July 4, 2014, I swore an affidavit (the "**July 4 Affidavit**") which was included by the Foreign Representative in the motion record returnable for a motion in

front of the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**") on July 8, 2014 (the "**July 8 Hearing**"). The July 4 Affidavit provided background information to the service list and the Canadian Court regarding the Chapter 11 Cases, Canadian Recognition proceedings, and the financing of the Chapter 11 Debtors.

9. The July 4 Affidavit (without exhibits) is attached hereto as **Exhibit 'E'** to this affidavit and I confirm that all of the information contained within the July 4 Affidavit remains true.

*FINANCING BACKGROUND INFORMATION*

10. Amongst other things, the purpose of the July 8 Hearing was to extend the financing of the LP Obligors (defined below). The July 8 Hearing, along with subsequent motions presented on July 15, 2014, July 30, 2014, August 6, 2014, September 2, 2014, and November 20, 2014, resulted in the Canadian Court recognizing a number of orders of the U.S. Bankruptcy Court related to the extension of financing of the LP Obligors, including the following (collectively, the "**Financing Extension Orders**"):

(a) the *Fifth 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* [U.S. Bankruptcy Court Docket No. 1615] (the "**Sixth Amended Cash Collateral Order**"), entered by the U.S. Bankruptcy Court on June 30, 2014;

(b) the *Final Order (A) Authorizing LP DIP Obligors To Obtain Third Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [U.S. Bankruptcy Court Docket No. 1639] (the "**Third Replacement LP DIP Order**"), entered by the U.S. Bankruptcy Court on July 14, 2014;

(c) the *Sixth 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* [U.S. Bankruptcy Court Docket No. 1638] (the "**Seventh Amended Cash Collateral Order**"), entered by the U.S. Bankruptcy Court on July 14, 2014;

(d) the *Final Order (A) Authorizing LP DIP Obligors To Obtain Fourth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [U.S. Bankruptcy Court Docket No. 1668] (the "**Fourth Replacement LP DIP Order**"), entered by the U.S. Bankruptcy Court on July 24, 2014;

(e) the *Seventh 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* [U.S. Bankruptcy Court Docket No. 1667] (the "**Eighth Amended Cash Collateral Order**"), entered by the U.S. Bankruptcy Court on July 24, 2014;

(f) the *Final Order (A) Authorizing LP DIP Obligors To Obtain Fifth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [U.S. Bankruptcy Court Docket No. 1681] (the "**Fifth Replacement LP DIP Order**"), entered by the U.S. Bankruptcy Court on August 1, 2014;

(g) the *Eighth 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* [U.S. Bankruptcy Court Docket No. 1682] (the "**Ninth Amended Cash**

**Collateral Order**"), entered by the U.S. Bankruptcy Court on August 1, 2014;

(h) the *Final Order (A) Authorizing LP DIP Obligors To Obtain Sixth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [U.S. Bankruptcy Court Docket No. 1736] (the "**Sixth Replacement LP DIP Order**"), entered by the U.S. Bankruptcy Court on August 28, 2014;

(i) the *Ninth 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* [U.S. Bankruptcy Court Docket No. 1735] (the "**Tenth Amended Cash Collateral Order**"), entered by the U.S. Bankruptcy Court on August 28, 2014;

(j) the *Final Order (A) Authorizing LP DIP Obligors to obtain Seventh Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expertise Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [U.S. Bankruptcy Court Docket No. 1927] (the "**Seventh Replacement LP DIP Order**"), entered by the U.S. Bankruptcy Court on November 14, 2014; and

(k) the *Tenth 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* [U.S. Bankruptcy Court Docket No. 1928] (the "**Eleventh Amended Cash Collateral Order**").

11. The Canadian Court recognized each of the Financing Extension Orders on the following dates:

(a) On July 8, 2014, the Canadian Court recognized the Fifth Amended Cash Collateral Order, the Second Replacement LP DIP Order and the Sixth Amended Cash Collateral Order;

(b) On July 15, 2014, the Canadian Court recognized the Third Replacement LP DIP Order and the Seventh Amended Cash Collateral Order;

(c) On July 30, 2014, the Canadian Court recognized the Fourth Replacement LP DIP Order and the Eighth Amended Cash Collateral Order;

(d) On August 6, 2014, the Canadian Court recognized the Fifth Replacement LP DIP Order and the Ninth Amended Cash Collateral Order;

(e) On September 2, 2014, the Canadian Court recognized the Sixth Replacement LP DIP and Tenth Amended Cash Collateral Order; and

(f) On November 20, 2014, the Canadian Court recognized the Seventh Replacement LP DIP Order and the Eleventh Amended Cash Collateral Order.

12. On November 20, 2014, the Foreign Representative advised the Canadian Court that the Seventh Replacement LP DIP Order and the Eleventh Amended Cash Collateral Order would provide the LP Obligors with financing through January 30, 2015.

*PLAN CONFIRMATION BACKGROUND INFORMATION*

13. Certain of the Chapter 11 Debtors are parties 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 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.

14. Throughout the Chapter 11 Cases, the LP Obligors have been funding their businesses through the use of the Prepetition LP Collateral[1], including Cash Collateral (as such term is defined in section 363 of the Bankruptcy Code (the "**Cash Collateral**")) and the proceeds of the Initial LP DIP Facility[2], the Replacement LP DIP Facility[3], the Second Replacement LP DIP Facility[4], the Third Replacement LP DIP Facility[5], Fourth Replacement LP DIP Facility[6], Fifth Replacement LP DIP Facility[7], the Sixth Replacement LP DIP Facility[8] , and most recently the Seventh Replacement LP DIP Facility[9]

15. The Foreign Representative, counsel to the Foreign Representative and the Information Officer have apprised the Canadian Court of the ongoing developments in the Chapter 11 Cases by reporting to the Canadian Court on the Chapter 11 Cases in each motion for the recognition of an order of the U.S. Bankruptcy Court.

16. A number of Chapter 11 plans (the "**Previous Plans**") have previously been filed with the U.S. Bankruptcy Court.

17. None of the Previous Plans have been confirmed by the U.S. Bankruptcy Court. As a result, the Canadian Court has not been called upon to recognize any orders by the U.S. Bankruptcy Court confirming any Previous Plan.

18. However, certain plans were accompanied by disclosure statements (the "**Previous Disclosure Statements**") that were approved by the U.S. Bankruptcy Court

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[1] As defined in the *Agreed Final Order (A) Authorizing Debtors to Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [U.S. Bankruptcy Court Docket No. 136] (the "**Initial Cash Collateral Order**").

[2] As defined in and provided for by the *Final Order (A) Authorizing LP DIP Obligors To Obtain Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [U.S. Bankruptcy Court Docket No. 1291] (the "**Initial LP DIP Order**").

[3] As defined in and provided for by the *Final Order (A) Authorizing LP DIP Obligors To Obtain Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [U.S. Bankruptcy Court Docket No. 1476] (the "**Replacement LP DIP Order**").

[4] As defined in and provided for by the Second Replacement LP DIP Order.

[5] As defined in and provided for by the Third Replacement LP DIP Order.

[6] As defined in and provided for by the Fourth Replacement LP DIP Order.

[7] As defined in and provided for by the Fifth Replacement LP DIP Order.

[8] As defined in and provided for by the Sixth Replacement LP DIP Order.

[9] As defined in and provided for by the Seventh Replacement LP DIP Order.

(the "**Previous Disclosure Statement Orders**"). The Previous Disclosure Statement Orders have been recognized by the Canadian Court, most recently, on August 26, 2014.

## ***PLAN MATTERS***[10]

*CURRENT PLAN*

19. On December 18, 2014, the Chapter 11 Debtors, at the request and direction of the special committee of the boards of directors for LightSquared Inc. and LightSquared GP Inc., (the "**Special Committee**"), and on themselves and the other Plan Proponents (i.e. Fortress Credit Opportunities Advisors LLC, by and on behalf of certain of its and its affiliates managed funds and or accounts, Centrebridge Partners LP, on behalf of certain of its affiliated funds, and Harbinger Capital Partners LLP) filed initial versions of the (i) *Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* (as amended, modified or supplemented, the "**Joint Plan**"), and (ii) *Specific Disclosure Statement for Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* (the "**Specific Disclosure Statement**").

20. All of the Previous Plans that were filed with the US Bankruptcy Court prior to December 18, 2014, have either been withdrawn, terminated or are no longer viable and able to be confirmed.

21. On December 18, 2014, LightSquared also filed the *Motion for Entry of Order Approving (A) Specific Disclosure Statement for Joint Plan Pursuant to Chapter 11 of Bankruptcy Code, and (B) Solicitation Procedures and Shortened Deadlines with Respect to Confirmation of Such Plan* [U.S. Bankruptcy Court Docket No. 1987] (the "**Specific Disclosure Statement Motion**").

22. On December 18, 2014, the U.S. Bankruptcy Court entered the December 2014 Scheduling Order, which, among other things, established January 6, 2015 as the deadline for the Plan Proponents to file exhibits to and provide certain other information in respect of the Specific Disclosure Statement, including financial projections, a liquidation analysis, and a valuation analysis.

[10] Capitalized terms used in this Affidavit and not otherwise defined shall have the meaning set out in the applicable January 2015 Financing Order.

23. On January 6, 2015, the Chapter 11 Debtors, at the request and direction of the Special Committee, and on behalf of themselves and the other Plan Proponents, filed an amended version of the Specific Disclosure Statement [U.S. Bankruptcy Court Docket No. 2009] (the "**First Amended Specific Disclosure Statement**"), which included as an exhibit an amended version of the Joint Plan. The First Amended Specific Disclosure Statement included the further information contemplated by the December 2014 Scheduling Order.

24. On January 15, 2015, the Chapter 11 Debtors, at the request and direction of the Special Committee, and on behalf of themselves and the other Plan Proponents, filed a further amended Specific Disclosure Statement [U.S. Bankruptcy Court Docket No. 2024] (as amended, supplemented, or modified from time to time, the "**Second Amended Specific Disclosure Statement**"), which included as an exhibit a further amended version of the Joint Plan. A copy of the Second Amended Specific Disclosure Statement is attached hereto as **Exhibit "F"**.

25. On January 20, 2015, the U.S. Bankruptcy Court entered the Second Amended Specific Disclosure Statement Approval Order, which Order sets forth the dates, deadlines, voting and solicitation procedures, and briefing schedule with respect to the Joint Plan. The Second Amended Specific Disclosure Statement Approval Order provides for, among other things, that the confirmation hearing in respect of the Joint Plan is to commence at 10:00 am on March 9, 2015.

26. The solicitation versions of the Joint Plan and Second Amended Specific Disclosure Statement were filed on January 20, 2015 [U.S. Bankruptcy Court Docket No. 2035].

27. Pursuant to the Second Amended Specific Disclosure Statement Approval Order, the solicitation period in respect of the Joint Plan has commenced.

## *FINANCING MATTERS*

*EIGHTH REPLACEMENT LP DIP ORDER*

28. On January 28, 2015, the Chapter 11 Debtors filed the *Notice of Presentment of Final Order (A) Authorizing DIP Obligors To Obtain Eighth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [U.S. Bankruptcy Court Docket No. 2050], which presented the Eighth Replacement DIP Order to the U.S. Bankruptcy Court for entry and provided notice to parties in intrest of the Chapter 11 Debtors' agreement to enter into that certain replacement senior secured, priming, superpriority postpetition financing facility (the "**Eighth Replacement DIP Facility**").

29. The funding of the Eighth Replacement DIP Facility is to be provided by Capital Research and Management Company and Cyrus Capital Partners, L.P., on behalf of its affiliates' managed funds and/or accounts (together, the "**Backstop Parties**"), along with the other financial institutions that commit to provide funding or convert previously provided funding pursuant to the terms of the Eighth Replacement DIP Order.

30. The Eighth Replacement DIP Facility contemplates multiple stages of borrowing by the DIP Borrowers (being LightSquared and LightSquared Inc.). ***First***, upon entry of the Eighth Replacement DIP Order, the DIP Lenders (as defined below) will provide funds to the LP DIP Obligors to fund their operations and the administration of their Chapter 11 Cases, including to provide the Chapter 11 Debtors with sufficient time and liquidity to seek and obtain confirmation of a plan of reorganization by April 30, 2015. ***Second***, assuming, among other things, that (i) an order confirming the Joint Plan is entered by the U.S. Bankruptcy Court (a "**Confirmation Order**") by April 30, 2015, (ii) the Confirmation Order is recognized by the Canadian Court (a "**Confirmation Recognition Order**") by April 30, 2015, and (iii) new investors upon the Joint Plan (the "**New Investors**") consent to the Inc. DIP Collateral (as defined in the Eighth Replacement DIP Order) becoming part of the DIP Collateral (as defined in the Eighth Replacement DIP Order) securing the Eighth Replacement DIP Facility in accordance with the terms of Eighth Replacement DIP Order, the DIP Lenders will provide further

funding to all of the DIP Obligors to fund their operations and the administration of their Chapter 11 Cases through December 30, 2015.

31. In the event that (i) the Confirmation Order and Confirmation Recognition Order are not entered by April 30, 2015, (ii) the New Investors do not consent to the obligations under the Eighth Replacement DIP Facility being secured by a priming lien on the Inc. DIP Obligors' assets upon the entry of the Confirmation Order and the Confirmation Recognition Order, and/or (iii) the other prerequisites to the Inc. DIP Collateral becoming part of the DIP Collateral securing the Eighth Replacement DIP Order, are not satisfied, the DIP Lenders will continue to fund the LP DIP Obligors for the additional month of May 2015, and the Eighth Replacement DIP Facility will mature on June 1, 2015, giving the Chapter 11 Debtors the time and opportunity to find appropriate financing.

32. The current budget (the "**Budget**")[11] for the Chapter 11 Debtors shows that they require additional funding to be made available pursuant to the Eighth Replacement DIP Facility. As a result, the Eighth Replacement DIP Facility will provide up to $650,000,000 of financing to be allocated in accordance with the Eighth Replacement DIP Facility allocation schedules (found at Schedules I, II and III to Annex A of the Eighth Replacement DIP Order) and used in accordance with the Budget in order for the DIP Obligors to continue to meet their general corporate and working capital needs.

33. Specifically, the Eighth Replacement DIP Facility features three components:

(a) the initial loans to the LP Obligors (the "**Initial DIP Loans**");

(b) the Delayed Draw Tranche A Loans (as defined below and, together with the Initial DIP Loans, the "**Tranche A Loans**"); and

(c) the Tranche B Loans (as defined below, and together with the Tranche A Loans, the "**Eighth Replacement DIP Loans**").

[11] The Budget is attached as Annex B of the Eighth Replacement LP DIP Order and Schedule 1 of the Twelfth Amended Cash Collateral Order.

34. The Initial DIP Loans are to be provided by the Backstop Parties and each other financial institution or entity that commits to make, or otherwise agrees to convert its Seventh Replacement LP DIP Loans (as defined in the Seventh Replacement LP DIP Order) into Eighth Replacement DIP Loans (the "**Initial DIP Lenders**") on the Initial Borrowing Date (*i.e.*, the first date upon which all of the conditions precedent in subparagraph 2(c)(i) of the Eighth Replacement DIP Order are satisfied and the Initial DIP Loans are made and/or converted in accordance with the Eighth Replacement DIP Order).

35. The Initial DIP Loans are to be in the aggregate principal amount of $285,000,000.

36. Potential additional funding to the LP DIP Obligors may be provided pursuant to the Eighth Replacement DIP Facility (the "**Delayed Draw Tranche A Loans**"). The aggregate principal amount of such Delayed Draw Tranche A Loans is to be either (i) $155,000,000, in the event that all of the conditions precedent in subparagraph 2(c)(ii) of the Eighth Replacement DIP Order are satisfied (the "**Conditions to Combined Delayed Draw Funding**"), or (ii) $30,000,000, if only certain of the conditions precedent in subparagraph 2(c)(ii) of the Eighth Replacement DIP Order are satisfied (the "**Conditions to Reduced Delayed Draw Funding**").

37. The Delayed Draw Tranche A Loans are loans to be funded by the Backstop Parties and each other financial institution or entity that commits to make the Delayed Draw Tranche A Loans (collectively, the "**Delayed Draw LP DIP Lenders**" and, together with the Initial DIP Lenders, the "**LP DIP Lenders**") under the Eighth Replacement DIP Facility to the LP Borrower. In the event that the Conditions to Reduced Delayed Draw Funding are not met by April 30, 2015, the Delayed Draw Tranche A Loans shall be reduced to zero.

38. In the event that the Conditions to Combined Delayed Draw Funding are satisfied (the "**Delayed Draw Funding Date**"), the Backstop Parties, and each other financial institution or entity that commits to make (or otherwise agrees to convert its Inc. DIP Loans (as defined in the Eighth Replacement DIP Order) into) Tranche B Loans under Tranche B of the Eighth Replacement DIP Facility, on the Delayed Draw Funding

Date, to the Inc. DIP Borrower (collectively, the "**Tranche B Lenders**" and together with the "**LP DIP Lenders**" and the "**DIP Lenders**") will provide, the aggregate principal amount of $210,000,000 of loans (the "Tranche B Loans", and collectively, with the Delayed Draw Tranche A Loans, the "**Delayed Draw Replacement DIP Loans**").

39. In the event of the funding of the Delayed Draw Replacement DIP Loans, (i) the aggregate principal amount of the Delayed Draw Tranche A Loans shall be added to, and constitute a part of, the Initial DIP Loans then outstanding and shall be deemed to constitute a part of a single tranche ("**Tranche A**"), and (ii) the aggregate principal amount of the Tranche B Loans, if any, shall be deemed to constitute a separate tranche of the Eighth Replacement DIP Loans ("**Tranche B**").

40. The funding of the Tranche A Loans is to be satisfied by the LP DIP Lenders in cash. The funding of the Tranche B Loans is to be satisfied by the Tranche B Lenders partly in cash and partly through a conversion of Inc. DIP Loans to Tranche B Loans.

41. Each of the LP DIP Obligors and the lenders under the Seventh Replacement LP DIP Facility consented to the entry of the Eighth Replacement LP DIP Order and the Eighth Replacement LP DIP Facility.

42. Subject to default interest rates and the conditions set forth in subparagraphs 2(c)(i) and 2(c)(ii) of the Eighth Replacement DIP Order, the Eighth Replacement DIP Loans shall bear interest at a rate per annum equal to 9% payable in kind ("**PIK Interest**"). If, however, the conditions to Combined Delayed Draw Funding have not been satisfied by April 30, 2015, the LP DIP Borrower may elect to increase the per annum rate of PIK Interest from 9% to 15% for the period of May 1, 2015 to December 30, 2015.

43. The proceeds of the Initial DIP Loans shall be used to (i) repay in full all Seventh Replacement LP DIP Obligations (as defined in the Seventh Replacement LP DIP Order) under the Seventh Replacement LP DIP Facility and the Seventh Replacement LP DIP Order, (ii) permit the LP Debtors to meet their general corporate and working capital needs in accordance with the Eighth Replacement DIP Order for the types of expenditures set forth in the Budget (and other purposes described in paragraph

3(a) of the Eighth Replacement DIP Order) and (iii) pay the DIP Professional Fees (as defined in the Eighth Replacement DIP Order).

44. All proceeds of the Delayed Draw Tranche A Loans shall be used and/or applied to permit the LP Debtors to meet their general corporate and working capital needs in accordance with the Eighth Replacement DIP Order for the types of expenditures as set forth in the Budget (and other purposes described in paragraph 3(b)(ii) of the Eighth Replacement DIP Order).

45. In the event that Tranche B Loans are incurred, all proceeds of the Tranche B Loans shall be used and/or applied (i) first, to indefeasibly repay in full in cash all outstanding Inc. DIP Loans (other than the SIG Inc. DIP Loans, which are to be converted on a dollar-for-dollar basis into Tranche B Loans), and (ii) second, to permit the Inc. DIP Obligors to meet their general corporate and working capital needs as set forth in the Budget (and other purposes described in paragraph 3(b)(i) of the Eighth Replacement DIP Order).

46. The Eighth Replacement DIP Facility will mature on the earlier of (each such date, the "**Final Maturity Date**"):

(i) December 30, 2015; and

(ii) the effective date of any plan of reorganization confirmed in the Chapter 11 Cases;

*provided that*, as noted above, if the Conditions to Combined Delayed Draw Funding have not been satisfied prior to or on April 30, 2015 and the Tranche B Loans have not been incurred, and the LP DIP Borrower has not elected to increase the per annum rate of the PIK Interest applicable to the Initial DIP Loans from 9% to 15%, the Final Maturity Date of the Eighth Replacement DIP Facility shall instead be June 1, 2015;

47. On the Final Maturity Date, all Eighth Replacement DIP Obligations shall be paid in full and in cash in U.S. dollars.

48. To the extent the conditions to Combined Delayed Draw Financing are not met and the Tranche B Loans are not made, only the LP DIP Collateral (as defined in the

Eighth Replacement DIP Order) will secure the Eighth Replacement DIP Obligations. Upon the occurrence of the Delayed Draw Funding Date, the Inc. DIP Collateral (as defined in the Eighth Replacement DIP Order), in addition to the LP DIP Collateral, shall together secure the Eighth Replacement DIP Obligations.

49. The Eighth Replacement DIP Order is expected to be entered by the U.S. Bankruptcy Court on or about January 30, 2015.

50. As a condition subsequent to the Eighth Replacement DIP Order, the DIP Lenders require that the Foreign Representative obtain the Canadian Court's recognition of the Eighth Replacement DIP Order by no later than February 2, 2015.

51. The ability of the Chapter 11 Debtors to ensure a value-maximizing exit from the Chapter 11 Cases requires the availability of capital from the Eighth Replacement DIP Facility. Without such funds, the Chapter 11 Debtors will not have sufficient available sources of capital and financing to operate their businesses and maintain their properties in the ordinary course of business.

52. For the foregoing reasons, the Foreign Representative respectfully submits that the LP DIP Obligors' entry into the Eighth Replacement DIP Facility is in the best interests of the LP DIP Obligors' estates, stakeholders, and other parties in interest.

*TWELFTH AMENDED CASH COLLATERAL ORDER*

53. In connection with the Eighth Replacement DIP Facility, the LP Obligors also required continued authorization from the U.S. Bankruptcy Court to use the Cash Collateral of the Prepetition LP Lenders. Such relief is necessary to ensure that the LP Obligors can (i) address working capital needs, (ii) fund reorganization efforts and (iii) continue to operate in the ordinary course during the Chapter 11 Cases.

54. Pursuant to the Eleventh Amended Cash Collateral Order, the LP Obligors were consensually permitted to use the Prepetition LP Lenders' Cash Collateral through January 30, 2015. The Eleventh Amended Cash Collateral Order and dates contained therein were recognized by the Canadian Court on November 20, 2014.

55. On January 28, 2015, the Chapter 11 Debtors filed the *Notice of Presentment of Eleventh 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* [U.S. Bankruptcy Court Docket No. 2048].

56. The Twelfth Amended Cash Collateral Order is anticipated to be entered by the U.S. Bankruptcy Court on January 30, 2015.

57. Pursuant to the Twelfth Amended Cash Collateral Order, the LP Obligors will be permitted to use the Prepetition LP Lenders' Collateral through April 30, 2015.

58. The terms of the draft Twelfth Amended Cash Collateral Order are substantially similar to those included in the Eleventh Amended Cash Collateral Order. The material differences being that the Twelfth Amended Cash Collateral Order:

(i) provides that the Chapter 11 Debtors may make capital expenditures of $4,410,000 until April 30, 2015, in comparison with the $1,700,000 to be utilized to January 30, 2015 authorized pursuant to the Twelfth Amended Cash Collateral Order,

(ii) eliminates the conditional waiver with respect to Lightsquared's obligation to pay the LP Adequate Protection Payments (as defined in the Twelfth Amended Cash Collateral Order), meaning that the LP Obligors will pay $6,250,000, as adequate protection for the beenfit of the Prepetition LP Lenders, on the first Business Day of each of the months of February 2015, March 2015 and April 2015, along with all reasonable, actual, and documented fees and expenses incurred by the Prepetition LP Agent, including the reasonable, actual and documented fees and disbursements of McDermott Will & Emery LLP, as counsel to the Prepetition Agent, and Pillsbury Winthrop Shaw Pittman LLP, as counsel to the Prepetition LP Collateral Trustee;

(iii) pay, in cash, the Deferred LP Adequate Protection Payments (as defined in the Twelfth Amended Cash Collateral Order) by April 30,

2015; *provided, however,* that an affected Prepetition LP Lender may agree to different treatment in lieu of cash for its pro rata share of the Deferred LP Adequate Protection Payments; and

(iv) includes the DIP Lenders as parties needing to consent to any further changes in respect of the Cash Collateral arrangements.

59. The Foreign Representative is of the view that the Canadian Court should recognize the Twelfth Amended Cash Collateral Order as:

(a) the LP Obligors have agreed to continue to use Cash Collateral in accordance with a Budget developed by the Chapter 11 Debtors, in consultation with their financial advisor Moelis & Company LLC;

(b) the Budget is achievable and will continue to allow the LP Obligors to operate without the accrual of unpaid administrative expenses and will continue to adequately protect the Prepetition LP Agent (as defined in the Initial Cash Collateral Order) and the Prepetition LP Lenders from diminution in the value of their interests in the Cash Collateral; and

(c) the only alternative to the LP Obligors' use of Cash Collateral – the immediate liquidation of their assets – would be catastrophic for both the Chapter 11 Debtors and the Prepetition LP Lenders given that an orderly conclusion to the Chapter 11 Cases is achievable.

## ***CONCLUSION***

60. The Foreign Representative thus respectfully requests that the Canadian Court recognize the December 2014 Scheduling Order and the Second Amended Specific Disclosure Statement Approval Order as the terms and conditions contained in those Orders are fair and reasonable and in the best interests of the LP Obligors' estates and creditors. The Foreign Representative thus respectfully requests that the Canadian Court recognize (once issued by the U.S. Bankruptcy Court and filed with the Canadian Court), the Eighth Replacement DIP Order and the Twelfth Amended Cash Collateral Order as

the terms and conditions contained in those Orders are fair and reasonable and in the best interest of the LP Obligors' estates and creditors.

61. The secured creditors registered against the Canadian Chapter 11 Debtors entities are being given notice of the motion.

62. I make this affidavit in support of the motion of the Foreign Representative returnable February 2, 2015 and for no other or improper purpose.

**SWORN** before me in the City of Ottawa in the Province of Ontario this this 29th day of January, 2015.

Commissioner for Taking Affidavits, etc.

**Elizabeth Creary**

Sandra Diana Wendy Kleinert,
a Commissioner, etc., Province of Ontario
for Dentons Canada LLP
Barristers and Solicitors. Expires June 7, 2016

Exhibit "A" to the Affidavit of Elizabeth Creary,
sworn before me this 29th day of January, 2015.

Commissioner for Taking Affidavits, etc.

Sandra Diana Wendy Kleinert,
a Commissioner, etc., Province of Ontario
for Dentons Canada LLP
Barristers and Solicitors. Expires June 7, 2016

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

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|---|---|
| In re: | Chapter 11 |
| LIGHTSQUARED INC., *et al.*, | Case No. 12-12080 (SCC) |
| Debtors.[1] | Jointly Administered |

**FINAL ORDER (A) AUTHORIZING DIP OBLIGORS TO OBTAIN EIGHTH REPLACEMENT SUPERPRIORITY SENIOR SECURED PRIMING POSTPETITION FINANCING, (B) GRANTING SUPERPRIORITY LIENS AND PROVIDING SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS, (C) GRANTING ADEQUATE PROTECTION, AND (D) MODIFYING AUTOMATIC STAY**

Upon the notice of presentment, dated January [_], 2015 [Docket No. __] (the "Motion"),[2] of LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession

[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] Terms used but not otherwise defined herein shall have the meanings given them, as applicable, in (a) Annex A hereto and (b) 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 Cash Collateral Order" and, as amended and modified by (i) the *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* [Docket No. 1118] (the "First Order Amending First Cash Collateral Order"), (ii) the *Second 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* [Docket No. 1292] (the "Second Order Amending First Cash Collateral Order"), (iii) the *Third 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* [Docket No. 1477] (the "Third Order Amending First Cash Collateral Order"), (iv) the *Fourth 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* [Docket No. 1580] (the "Fourth Order Amending First Cash Collateral Order"), (v) the *Fifth 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* [Docket No. 1615] (the "Fifth Order Amending First Cash Collateral Order"), (vi) the *Sixth Order*

(collectively, the "Debtors") in the above-captioned chapter 11 cases (the "Chapter 11 Cases"), for entry of an order pursuant to sections 105, 361, 362, 363(c), 364(d), 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*:

(i) authorizing (A) LightSquared LP (the "LP DIP Borrower") and, to the extent that the Inc. DIP Obligors Conditions Precedent (as defined in Annex A hereto) are satisfied and the Tranche B Loans (as defined in Annex A hereto) are incurred on the Delayed Draw Funding Date (as defined in Annex A hereto), LightSquared Inc. (the "Inc. DIP Borrower" and, together with the LP DIP Borrower, the "DIP Borrowers") to obtain and enter into the replacement senior secured, priming, superpriority debtor-in-possession credit facility (the "Eighth Replacement DIP Facility") and (B) each existing and future, direct or indirect, subsidiary of the LP DIP Borrower (collectively, the "LP DIP Guarantors" and, together with the LP DIP Borrower, the "LP DIP Obligors") and, to the

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*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* [Docket No. 1638] (the "Sixth Order Amending First Cash Collateral Order"), (vii) the *Seventh 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* [Docket No. 1667] (the "Seventh Order Amending First Cash Collateral Order"), (viii) the *Eighth 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* [Docket No. 1682] (the "Eighth Order Amending First Cash Collateral Order"), (ix) the *Ninth 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* [Docket No. 1735] (the "Ninth Order Amending First Cash Collateral Order"), (x) the *Tenth 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 "Tenth Order Amending First Cash Collateral Order") [Docket No. 1927], and (xi) the *Eleventh 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 "Eleventh Order Amending First Cash Collateral Order"), and, as so amended, the "Final Cash Collateral Order").

extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, each existing and future, direct or indirect, subsidiary of the Inc. DIP Borrower that is not an LP DIP Obligor (collectively, the "Inc. DIP Guarantors" and, together with the Inc. DIP Borrower, the "Inc. DIP Obligors" and, the Inc. DIP Guarantors together with the LP DIP Guarantors, the "DIP Guarantors" and, the DIP Guarantors together with the DIP Borrowers, the "DIP Obligors") to unconditionally guarantee, jointly and severally, each DIP Borrower's obligations in respect of the Eighth Replacement DIP Facility and the Eighth Replacement DIP Loans (as defined herein) made thereunder, made available (1) on the Initial Borrowing Date (as defined herein), by Capital Research and Management Company ("CapRe"), Cyrus Capital Partners, L.P., on behalf of its affiliates' managed funds and/or accounts (together with CapRe, the "Backstop Parties"), CM Finance SPV Ltd., SOLA LTD, Solus Sr. High Income Fund LP, Intermarket Corp., and Fortress Credit Corp., on behalf of its and its affiliates' managed funds and/or accounts, and each other financial institution or entity that commits to make (or otherwise agrees to convert its Seventh Replacement LP DIP Loans (as defined herein) into) Eighth Replacement DIP Loans on the Initial Borrowing Date (each of the foregoing, an "Initial DIP Lender" and, collectively, the "Initial DIP Lenders") and (2) if applicable, on the Delayed Draw Funding Date by, (x) the Backstop Parties, CM Finance SPV Ltd., SOLA LTD, Solus Sr. High Income Fund LP, Intermarket Corp., Fortress Credit Corp., on behalf of its and its affiliates' managed funds and/or accounts, and SIG Holdings, Inc., and each other financial institution or entity that commits to make (or otherwise agrees to convert its Inc. DIP Loans (as defined herein) into) Tranche B Loans under Tranche B (as defined in

Annex A hereto) of the Eighth Replacement DIP Facility on the Delayed Draw Funding Date to the Inc. DIP Borrower (each of the foregoing, a "Tranche B Lender" and, collectively, the "Tranche B Lenders") and (y) the Backstop Parties and each other financial institution or entity that commits to make Delayed Draw Tranche A Loans (as defined in Annex A hereto) under the Eighth Replacement DIP Facility on the Delayed Draw Funding Date to the LP DIP Borrower (each of the foregoing, a "Delayed Draw LP DIP Lender" and, collectively, the "Delayed Draw LP DIP Lenders" and, together with the Initial DIP Lenders, the "LP DIP Lenders" and, as used herein, the "DIP Lenders" shall mean the LP DIP Lenders and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the LP DIP Lenders together with the Tranche B Lenders), in each case, pursuant to the terms and conditions of this order (this "Order"), including (I) the terms and conditions set forth in Annex A hereto, (II) the budgets prepared by the Debtors and annexed hereto as Annex B (as updated from time to time pursuant to, and in accordance with, the terms of this Order, the "Eighth Replacement DIP Budget"), and (III) the other Eighth Replacement DIP Credit Documents (as defined herein);

(ii) authorizing and directing the applicable DIP Obligors to execute and deliver, and perform under, (A) the terms of the Eighth Replacement DIP Facility as set forth in this Order, (B) (1) the related Eighth Replacement Notes (as defined in Annex A hereto), substantially in the form annexed hereto as Annex C, to be issued in favor of each Initial DIP Lender by the LP DIP Borrower, each in the original principal amount equal to the initial loan (the "Initial DIP Loan") made by such Initial DIP Lender as set forth in the "Initial DIP Loan Allocation Schedule" set forth on Schedule I to Annex A

hereto, and (2) upon the occurrence of the Delayed Draw Funding Date, the related Eighth Replacement Notes, (x) to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, substantially in the form annexed hereto as Annex D, to be issued in favor of each Tranche B Lender by the Inc. DIP Borrower, each in the original principal amount equal to the Tranche B Loans made by such Tranche B Lender (including by way of converting the SIG Inc. DIP Loans (as defined herein) into Tranche B Loans) as set forth on Schedule III to Annex A hereto, and (y) evidencing the Initial DIP Loans held by a Delayed Draw LP DIP Lender, if any, shall be cancelled, and any Delayed Draw LP DIP Lender shall receive an Eighth Replacement Note, substantially in the form annexed hereto as Annex C, to be issued in favor of such LP DIP Lender by the LP DIP Borrower, each in the aggregate principal amount equal to the Tranche A Loans (as defined herein) made by such LP DIP Lender as set forth on Schedule II to Annex A hereto, (C) upon the occurrence of the Delayed Draw Funding Date, the related "LP DIP Obligor Reaffirmation," substantially in the form annexed hereto as Annex E, and (D) the related "DIP Obligor Guaranty," substantially in the form annexed hereto as Annex F to be issued in connection with both the Initial DIP Loans and the Delayed Draw Replacement DIP Loans (as defined in Annex A hereto) (this Order, the Eighth Replacement Notes, each DIP Obligor Guaranty, and the LP DIP Obligor Reaffirmation, collectively, the "Eighth Replacement DIP Credit Documents") and to perform such other acts as may be necessary or desirable in connection with the Eighth Replacement DIP Facility;

(iii) granting to the DIP Lenders, (A) in each of the LP DIP Obligors' Chapter 11 Cases, in respect of the Eighth Replacement DIP Obligations (as defined herein),

allowed superpriority administrative expense claims against each of the LP DIP Obligors (the "LP DIP Superpriority Claims") with priority over all other allowed chapter 11 and chapter 7 administrative expense claims, including the expenses of any chapter 7 trustee or chapter 11 trustee and the adequate protection claims and liens granted to the Prepetition LP Secured Parties under (and as defined in) the Final Cash Collateral Order, and (B) if the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, granting to the DIP Lenders allowed superpriority administrative expense claims against each of the Inc. DIP Obligors (the "Inc. DIP Superpriority Claims" and, together with the LP DIP Superpriority Claims, the "DIP Superpriority Claims") with priority over all other allowed chapter 11 and chapter 7 administrative expense claims, including the expenses of any chapter 7 trustee or chapter 11 trustee and the adequate protection claims and liens granted to the Prepetition Inc. Secured Parties under (and as defined in) the Final Cash Collateral Order;

(iv) granting to the DIP Lenders automatically perfected first priority priming security interests in, and liens on, all of the LP DIP Collateral (as defined herein) and, if the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, all of the Inc. DIP Collateral, in accordance with the terms set forth herein;

(v) authorizing the applicable DIP Obligors to pay the principal, interest (including, without limit, interest paid in kind), fees, expenses, and other liabilities and amounts payable, as set forth herein, including, without limitation, under each of the Eighth Replacement DIP Credit Documents, as they become due, all to the extent provided by, and in accordance with, the terms of this Order and the other Eighth

Replacement DIP Credit Documents, as applicable; provided, however, that no claims arising from the foregoing shall be allowed against, or payable by, the Inc. DIP Obligors unless the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date;

(vi) reaffirming and confirming the adequate protection to the Prepetition Secured Parties for any Diminution in Value of their respective interests in the Prepetition Collateral through December 30, 2015 as provided in the Final Cash Collateral Order; and

(vii) vacating and modifying the automatic stay imposed by section 362 of the Bankruptcy Code solely to the extent necessary to implement and effectuate the terms and provisions of the Eighth Replacement DIP Facility and this Order.

The Court (as defined herein) having considered the Motion, the terms of the Eighth Replacement DIP Facility, and the Eleventh Order Amending First Cash Collateral Order, and in accordance with Bankruptcy Rules 2002, 4001(b), (c), and (d), and 9014 and the Local Rules, due and proper notice of the Motion having been given; and it appearing that approval of the relief requested in the Motion is fair and reasonable and in the best interests of the Debtors, their creditors, and their estates and essential for the continued maintenance and preservation of the Debtors' assets and property; and all objections, if any, to the entry of this Order having been withdrawn, resolved, or overruled by the Court; and after due deliberation and consideration, and for good and sufficient cause appearing therefor:

**THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:**

A. **Petition Date**. On May 14, 2012 (the "Petition Date"), each of the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of New York (the "Court").

B. **Debtors in Possession**. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these Chapter 11 Cases.

C. **Jurisdiction and Venue**. This Court has jurisdiction, pursuant to 28 U.S.C. §§ 157(b) and 1334, over the Chapter 11 Cases and property affected hereby. Consideration of the Motion constitutes a core proceeding under 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

D. **Committee Formation**. As of the date hereof, the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee") has not appointed a statutory committee of unsecured creditors in these Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code.

E. **Notice**. Notice of the Hearing and the relief requested in the Motion has been provided by the Debtors, by telecopy, email, overnight courier and/or hand delivery, to (i) the U.S. Trustee, (ii) the entities listed on the Consolidated List of Creditors Holding the 20 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d), (iii) counsel to the agents under the Debtors' prepetition credit facilities, (iv) counsel to U.S. Bank National Association and MAST Capital Management, LLC, (v) counsel to Harbinger Capital Partners, LLC, (vi) the Internal Revenue Service, (vii) the United States Attorney for the Southern District of New York, (viii) the Federal Communications Commission, (ix) Industry Canada, and (x) all parties having filed a request for notice under Bankruptcy Rule 2002. Under the circumstances, such notice of

the Hearing and the relief requested in the Motion constitutes due, sufficient, and appropriate notice and complies with section 102(1) of the Bankruptcy Code, Bankruptcy Rules 2002 and 4001(b) and (c), and the Local Rules.

F. **Final Cash Collateral Order**. On February 19, 2013, the Court entered the First Cash Collateral Order; on December 20, 2013, the Court entered the First Order Amending First Cash Collateral Order; on February 4, 2014, the Court entered the Second Order Amending First Cash Collateral Order; on April 10, 2014, the Court entered the Third Order Amending First Cash Collateral Order; on June 13, 2014, the Court entered the Fourth Order Amending First Cash Collateral Order; on June 30, 2014, the Court entered the Fifth Order Amending First Cash Collateral Order; on July 14, 2014, the Court entered the Sixth Order Amending First Cash Collateral Order; on July 24, 2014, the Court entered the Seventh Order Amending First Cash Collateral Order; on August 1, 2014, the Court entered the Eighth Order Amending First Cash Collateral Order; on August 28, 2014, the Court entered the Ninth Order Amending First Cash Collateral Order; and on November 14, 2014, the Court entered the Tenth Order Amending First Cash Collateral Order which collectively provide for, among other things, the Debtors' continued use of the Prepetition LP Collateral, including Cash Collateral, subject to the terms contained therein, through January 30, 2015. Substantially simultaneously with entry of this Order, and as a prerequisite to the effectiveness of this Order, the Court will enter the Eleventh Order Amending First Cash Collateral Order, which, among other things, amends the First Cash Collateral Order (as amended by the First Order Amending First Cash Collateral Order, the Second Order Amending First Cash Collateral Order, the Third Order Amending First Cash Collateral Order, the Fourth Order Amending First Cash Collateral Order, the Fifth Order Amending First Cash Collateral Order, the Sixth Order Amending First Cash Collateral Order,

the Seventh Order Amending First Cash Collateral Order, the Eighth Order Amending First Cash Collateral Order, the Ninth Order Amending First Cash Collateral Order, and the Tenth Order Amending First Cash Collateral Order) by (i) permitting the LP Debtors,[3] and, as applicable in accordance with the terms of this Order and upon satisfaction of the Inc. DIP Obligors Conditions Precedent and the incurrence of the Tranche B Loans on the Delayed Draw Funding Date, the Inc. Debtors,[4] to continue to use the Prepetition Collateral, including Cash Collateral, through and including April 30, 2015; provided, however, that until the satisfaction of the Inc. DIP Obligors Conditions Precedent and the incurrence of the Tranche B Loans on the Delayed Draw Funding Date, the terms of the Inc. DIP Order (as defined herein) shall control the Inc. Debtors' use of Prepetition Inc. Collateral, (ii) permitting the LP Debtors to continue to make the LP Adequate Protection Payments on the terms set forth herein, (iii) allowing entry of this Order and approval of the Eighth Replacement DIP Facility, and (iv) preserving for the benefit of the Prepetition Secured Parties the Adequate Protection Liens and the Section 507(b) Claims.

G. **Seventh Replacement LP DIP Facility**. (i) On February 4, 2014, this Court entered the *Final Order (A) Authorizing LP DIP Obligors To Obtain Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1291] and thereby approved, among other things, the provision of certain superpriority senior secured priming postpetition financing to the LP DIP Obligors through April 15, 2014. On April 10, 2014, this Court entered the *Final Order (A)*

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[3] "LP Debtors" means, collectively, LightSquared LP, ATC Technologies, LLC, LightSquared Corp., LightSquared Finance Co., LightSquared Network LLC, LightSquared Inc. of Virginia, LightSquared Subsidiary LLC, SkyTerra Holdings (Canada) Inc., SkyTerra (Canada) Inc., Lightsquared Bermuda Ltd., LightSquared Investors Holdings Inc., TMI Communications Delaware, Limited Partnership, and LightSquared GP Inc.

[4] "Inc. Debtors" means, collectively, LightSquared Inc., One Dot Four Corp., One Dot Six Corp., SkyTerra Rollup LLC, SkyTerra Rollup Sub LLC, SkyTerra Investors LLC, and One Dot Six TVCC Corp.

*Authorizing LP DIP Obligors To Obtain Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1476] (the "Replacement LP DIP Order") and thereby approved, among other things, the provision of certain superpriority senior secured priming postpetition financing to the LP DIP Obligors through June 15, 2014 (the "Replacement LP DIP Facility"). On June 9, 2014, the Debtors filed the *Notice of Extension of Final Maturity Date Under Replacement LP DIP Facility* [Docket No. 1574], providing that the DIP Lenders had agreed to extend the maturity of the Replacement LP DIP Facility to June 30, 2014. On June 30, 2014, this Court entered the *Final Order (A) Authorizing LP DIP Obligors To Obtain Second Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1614] (the "Second Replacement LP DIP Order") and thereby approved, among other things, the provision of certain superpriority senior secured priming postpetition financing by the DIP Lenders through July 15, 2014 (the "Second Replacement LP DIP Facility"). On July 14, 2014, this Court entered the *Final Order (A) Authorizing LP DIP Obligors To Obtain Third Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1639] (the "Third Replacement LP DIP Order") and thereby approved, among other things, the provision of certain superpriority senior secured priming postpetition financing to the LP DIP Obligors through July 21, 2014 (the "Third Replacement LP DIP Facility"). On July 24, 2014, this Court entered the *Final Order (A) Authorizing LP DIP Obligors To Obtain*

*Fourth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1668] (the "Fourth Replacement LP DIP Order") and thereby approved, among other things, the provision of certain superpriority senior secured priming postpetition financing to the LP DIP Obligors through July 31, 2014 (the "Fourth Replacement LP DIP Facility"). On August 1, 2014, this Court entered the *Final Order (A) Authorizing LP DIP Obligors To Obtain Fifth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1681] (the "Fifth Replacement LP DIP Order") and thereby approved, among other things, the provision of certain superpriority senior secured priming postpetition financing to the LP DIP Obligors through August 31, 2014 (the "Fifth Replacement LP DIP Facility"). On August 28, 2014, this Court entered the *Final Order (A) Authorizing LP DIP Obligors To Obtain Sixth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1736] (the "Sixth Replacement LP DIP Order"). On November 14, 2014, this Court entered the *Final Order (A) Authorizing LP DIP Obligors To Obtain Seventh Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1927] (the "Seventh Replacement LP DIP Order") and thereby approved, among other things, the provision of certain superpriority senior secured priming postpetition financing to the LP DIP Obligors through January 30, 2015 (the

"Seventh Replacement LP DIP Facility" and, the loans thereunder "Seventh Replacement LP DIP Loans").

(ii) Each of the LP DIP Obligors and the lenders under the Seventh Replacement LP DIP Facility have consented to the entry of this Order and the Eighth Replacement DIP Facility, the proceeds of which shall be used (i) (A) to pay in full all Seventh Replacement LP DIP Obligations under (and as defined in) the Seventh Replacement LP DIP Facility and the Seventh Replacement LP DIP Order and (B) to permit the LP Debtors to meet their general corporate and working capital needs in accordance with this Order for the types of expenditures set forth in the Eighth Replacement DIP Budget (and other purposes described in paragraph 3(a) below) through the Final Maturity Date (as defined herein), pay the Commitment Fee (as defined herein) and pay the DIP Professional Fees (as defined herein), and (ii) to the extent the Delayed Draw Funding Date occurs and the Tranche B Loans are incurred, (A) to pay in full (1) all DIP Obligations under (and as defined in) the Inc. DIP Order and the other DIP Documents (as defined in the Inc. DIP Order) (such DIP Obligations including the loans thereunder, which shall include all principal, interest, default interest, commitment fees and exit fees, the "Inc. DIP Loans") other than $41,000,000 in respect of the JPM Acquired DIP Inc. Claims (as defined in the *Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 2035] (as may be amended, modified, and/or supplemented from time to time in accordance with the terms thereof, the "Plan") acquired pursuant to the JPM Inc. Facilities Claims Purchase Agreement (the "SIG Inc. DIP Loans") (which shall be converted on a dollar-for-dollar basis into, and be deemed, Tranche B Loans in the amount of $41,000,000), and (2) all accrued and unpaid Prepetition Inc. Fee Claims and DIP Inc. Fee Claims (each as defined in the Plan) (including, if necessary, estimates of such Prepetition Inc. Fee Claims and DIP Inc. Fee

Claims through and including the Delayed Draw Funding Date), and (B) to permit the Inc. Debtors (including the Inc. DIP Obligors) to meet their general corporate and working capital needs in accordance with this Order for the types of expenditures set forth in the Eighth Replacement DIP Budget (and other purposes described in paragraph 3(b) below) through the Final Maturity Date and pay the DIP Professional Fees.

H. **Inc. DIP Order Remains in Full Force and Effect**. This Court has entered the *Final Order, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, and 507, (A) Authorizing Inc. Obligors To Obtain Postpetition Financing, (B) Granting Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 224] (as heretofore amended, supplemented, or modified, the "Inc. DIP Order"). Notwithstanding anything contained herein to the contrary, the Inc. DIP Order (or, if applicable, an order approving a New Investor New Inc. DIP Facility (as defined in the Plan)) shall remain in full force and effect and the rights and obligations provided thereunder shall not otherwise be affected or impaired in any respect by the terms of this Order unless and until the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date.

I. **Immediate Need for Postpetition Financing**. The Debtors have requested immediate entry of this Order pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2). Good cause has been shown for entry of this Order. Since the Petition Date, the LP Debtors have been funding their businesses and the Chapter 11 Cases through the use of, among other things, the Prepetition LP Collateral (including Cash Collateral) and the proceeds of the Seventh Replacement LP DIP Facility. The Prepetition LP Lenders' Cash Collateral and the proceeds of the Seventh Replacement LP DIP Facility are largely depleted. In the absence of the availability

of the Eighth Replacement DIP Facility in accordance with the terms hereof, serious and irreparable harm to the LP Debtors and their estates and creditors would occur. Further, confirmation and consummation of a chapter 11 plan of reorganization would be at severe risk in the absence of the availability of funds in accordance with the terms of this Order.

J. **No Credit Available on More Favorable Terms**. The Debtors have been unable to obtain, on more favorable terms and conditions than those provided in this Order, (i) adequate unsecured credit allowable under Bankruptcy Code section 503(b)(1) as an administrative expense, (ii) credit for money borrowed with priority over any or all administrative expenses of the kind specified in sections 503(b) or 507(b) of the Bankruptcy Code, (iii) credit for money borrowed secured by a lien on property of the estate that is not otherwise subject to a lien, or (iv) credit for money borrowed secured by a junior lien on property of the estate which is subject to a lien. The Debtors are unable to obtain credit for borrowed money without granting the LP DIP Liens and the LP DIP Superpriority Claims (and, if the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Liens and the Inc. DIP Superpriority Claims) to (or for the benefit of) the DIP Lenders.

K. **Transactions Contemplated by the Plan Support Agreement and the Plan.**[5] (i) On January 15, 2015, Fortress, Centerbridge, Harbinger, the JPM Investment Parties, MAST, and the Prepetition Inc. Agent (each as defined in the Plan and, collectively, the "Plan Support Parties") entered into that certain Amended and Restated Plan Support Agreement, dated as of January 15, 2015 (as may be amended, supplemented, or modified from time to time in

[5] Capitalized terms used by not otherwise defined in this paragraph L shall have the meanings ascribed to such terms the Plan.

accordance with the terms thereof, the "Plan Support Agreement").[6] Contemporaneously with the execution of the Plan Support Agreement, (i) SIG (as defined in the Plan) and MAST entered into that certain Purchase and Sale Agreement dated January 15, 2015 pursuant to which SIG, subject to the terms and conditions of such agreement, shall purchase (a) from MAST, the Acquired Inc. Facility Claims in exchange for the Acquired Inc. Facility Claims Purchase Price and (b) from the DIP Inc. Claims Sellers, the JPM Acquired DIP Inc. Claims in exchange for $41,000,000 (the "JPM Inc. Facilities Claims Purchase Agreement");[7] (ii) Fortress, Centerbridge, and MAST entered into that certain Purchase and Sale Agreement, dated January 15, 2015, pursuant to which Fortress and Centerbridge, subject to the terms of such agreement, agreed to backstop the purchase from MAST of up to $89,500,175.01 of DIP Inc. Claims (the "Fortress/Centerbridge DIP Inc. Claims Purchase Agreement");[8] and (iii) the New Investors entered into that certain Debtor-in-Possession Facility Commitment Letter, dated January 15, 2015, pursuant to which the New Investors or their affiliates committed to provide, among other things, New Inc. DIP Loans of not less than $198,000,175 comprised of the conversion of the Acquired DIP Inc. Claims into New Inc. DIP Loans in an amount of not less than $130,500,175 and new money loans of not less than $67,500,000 (as may be amended, supplemented, or otherwise modified from time to time in accordance with the terms thereof, the "New Investor New Inc. DIP Commitment Letter" and, together with the Fortress/Centerbridge DIP Inc. Claims Purchase Agreement, the "New Investor Commitment Documents").[9]

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6 An executed copy of the Plan Support Agreement is attached as Exhibit A to the Plan [Docket No. 2035].

7 An executed copy of the JPM Inc. Facilities Claims Purchase Agreement is attached as Exhibit C to the Plan Support Agreement [Docket No. 2035].

8 An executed copy of the Fortress/Centerbridge DIP Inc. Claims Purchase Agreement is attached as Exhibit D to the Plan Support Agreement [Docket No. 2035].

9 An executed copy of the New Investor New Inc. DIP Commitment Letter is attached as Exhibit E to the Plan Support Agreement [Docket No. 2035]. On or around February 9, 2015, the Debtors will file a motion for approval of the New Investor New Inc. DIP Facility, which shall provide that in the event the Delayed Draw Funding Date and the incurrence of the Tranche B Loans do not occur on or before the date that is

(ii) The Plan provides that, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each DIP Inc. Claim that is not a JPM Acquired DIP Inc. Claim, each holder of such allowed DIP Inc. Claim shall receive, on the Inc. Facilities Claims Purchase Closing Date, and concurrent with the consummation of the JPM Inc. Facilities Claims Purchase Agreement, cash in an amount equal to such allowed DIP Inc. Claims either (a) from the proceeds of the Third Party New Inc. DIP Facility[10] or (b) as contemplated by the New Investor Commitment Documents.[11]

L. **Survival of the New Investor Commitment Documents**. Nothing in this Order shall be deemed to amend, alter, impair, or otherwise affect, in any way, the terms of the New Investor Commitment Documents (as defined in the Plan), and the New Investors acknowledge that, as of the date of entry of this Order, the New Investor Commitment Documents are in full force and effect in all respects.

M. **Use of Proceeds of Eighth Replacement DIP Facility, DIP Collateral**.

(i) All proceeds of the Initial DIP Loans shall be used and/or applied (A) first, to repay in full or convert all Seventh Replacement LP DIP Obligations (as defined in the

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one (1) business day following the fourteenth (14th) day after entry of the Confirmation Order (as defined in the Plan), the New Investors shall fund the New Investor New Inc. DIP Facility and otherwise satisfy their obligations under the New Investor Commitment Documents subject to the terms and conditions thereof (including all conditions precedent being satisfied or waived)

10 For the avoidance of doubt, the Tranche B Loans, if incurred, would be deemed a "Third Party New Inc. DIP Facility" as such term is defined in the Plan.

11 As of January 30, 2015 the amount of the Inc. DIP Loans is $131,180,985.73, which amount shall be increased on a *per diem* basis through and including the Inc. Facilities Claims Purchase Closing Date in accordance with the Inc. DIP Order and the DIP Inc. Credit Agreement (as defined in the Plan), plus any additional incremental funding provided by the DIP Inc. Lenders (as defined in the Plan) under the DIP Inc. Credit Agreement pursuant to a budget provided by the Debtors that is acceptable to the DIP Inc. Lenders together with related interest, default interest, fees, and expenses. The total amount of the DIP Inc. Loans payable on the Inc. Facilities Claims Purchase Closing Date and Delayed Draw Funding Date shall be increased to include the 2% exit fee owed pursuant to the DIP Inc. Credit Agreement and Inc. DIP Order upon the repayment and/or conversion of all amounts outstanding under the DIP Inc. Facility, which amount of exit fee shall be calculated based upon the aggregate principal and interest outstanding under the DIP Inc. Facility immediately prior to the Inc. Facilities Claims Purchase Closing Date and the Delayed Draw Funding Date. For the avoidance of doubt the amount of the Inc. DIP Loans is intended to be, and shall be, the same the amount of the "Allowed DIP Inc. Claims" as such term is used and defined in the Plan.

Seventh Replacement LP DIP Order) under the Seventh Replacement LP DIP Facility and the Seventh Replacement LP DIP Order, (B) second, to be utilized by the LP Debtors to pay obligations payable under the Final Cash Collateral Order, and (C) third, to permit the LP Debtors to meet their general corporate and working capital needs in accordance with this Order for the types of expenditures set forth in the Eighth Replacement DIP Budget, to pay interest, fees, costs, expenses, and other liabilities payable under this Order or the Final Cash Collateral Order and for no other purpose, and to provide the LP Debtors with sufficient time and liquidity to confirm a chapter 11 plan of reorganization, all in accordance with the terms and conditions of this Order;

(ii) On the Delayed Draw Funding Date, (x) if the Tranche B Loans are incurred, all proceeds of the Tranche B Loans shall be used and/or applied (A) first, to repay in full, in cash all Inc. DIP Loans, other than the SIG Inc. DIP Loans (which shall be converted on a dollar-for-dollar basis into, and be deemed to constitute, Tranche B Loans) and all accrued and unpaid Prepetition Inc. Fee Claims and DIP Inc. Fee Claims (each as defined in the Plan) (including, if necessary, estimates of such Prepetition Inc. Fee Claims and DIP Inc. Fee Claims through and including the Delayed Draw Funding Date), and (B) second, to permit the Inc. Debtors to meet their general corporate and working capital needs in accordance with this Order for the types of expenditures set forth in the Eighth Replacement DIP Budget, to pay interest, fees, costs, expenses, and other liabilities payable under this Order or the Final Cash Collateral Order and for no other purpose, and to provide the Inc. Debtors with sufficient time and liquidity to consummate a chapter 11 plan of reorganization, all in accordance with the terms and conditions of this Order, and (y) all proceeds of the Delayed Draw Tranche A Loans shall be used and/or applied to permit the LP Debtors to meet their general corporate and working capital

needs in accordance with this Order for the types of expenditures set forth in the Eighth Replacement DIP Budget and to pay interest, fees, costs, expenses, and other liabilities payable under this Order or the Final Cash Collateral Order and for no other purpose, and to provide the LP Debtors with sufficient time and liquidity to consummate a chapter 11 plan of reorganization, all in accordance with the terms and conditions of this Order; and

(iii) All proceeds of the LP DIP Collateral (and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Collateral), including proceeds realized from a sale or disposition thereof, or from payment thereon (net of any amounts used to pay interest, fees, costs, expenses, and other liabilities payable under this Order or the Final Cash Collateral Order), shall be used and/or applied (A) first, to repay in full all Eighth Replacement DIP Obligations (including, for the avoidance of doubt, if the Tranche B Loans are incurred, the Tranche B Loans), and (B) second, to permit the LP Debtors (and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Obligors) to meet their general corporate and working capital needs in accordance with this Order for the types of expenditures set forth in the Eighth Replacement DIP Budget, including the LP Debtors' obligations under the Final Cash Collateral Order, and for no other purpose, and to provide the LP Debtors (and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Obligors) with sufficient time and liquidity to confirm and consummate a chapter 11 plan of reorganization, all in accordance with the terms and conditions of this Order.

N. **Extension of Financing**. The DIP Lenders have indicated a willingness to provide financing to the DIP Obligors in accordance with the terms of this Order and the other Eighth Replacement DIP Credit Documents (as applicable), but only upon (i) the entry of this Order, including, without limitation, approval of the terms of the Eighth Replacement DIP Loans as set forth herein and findings by this Court that the Eighth Replacement DIP Facility is essential to the Debtors' estates, that the DIP Lenders are good faith financiers, and that their claims, superpriority claims, security interests and liens, and other protections granted pursuant to this Order and the Eighth Replacement DIP Facility (including the DIP Superpriority Claims and the DIP Liens) will not be affected by any subsequent reversal, modification, vacatur, or amendment of, as the case may be, this Order, the Eleventh Order Amending First Cash Collateral Order, or the Final Cash Collateral Order, as provided in section 364(e) of the Bankruptcy Code, (ii) the entry of the Eleventh Order Amending First Cash Collateral Order, (iii) the execution and delivery of the applicable Eighth Replacement Notes, the DIP Obligor Guaranties, and the LP DIP Obligor Reaffirmation, in each case, by each applicable DIP Obligor, (iv) (A) receipt of evidence as to the delivery of certificates, if any, evidencing equity ownership in the Additional LP DIP Subsidiary Guarantors (as defined herein), together with undated stock powers therefor, executed in blank, to the Prepetition LP Collateral Trustee and (B) if the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, receipt of evidence as to the delivery of certificates, if any, evidencing equity ownership in the Inc. DIP Guarantors, together with undated stock powers therefor, executed in blank, to the Prepetition Inc. Agent, and (v) the payment of DIP Professional Fees as provided for herein. The LP DIP Obligors shall obtain, by no later than February 2, 2015, an order in form and substance acceptable to the DIP Lenders by the Canadian

Court in connection with the Canadian Proceedings recognizing the entry of this Order (the "Canadian DIP Recognition Order") and an order in form and substance acceptable to the DIP Lenders by the Canadian Court in connection with the Canadian Proceedings recognizing the entry of the Eleventh Order Amending First Cash Collateral Order (the "Canadian Eleventh Cash Collateral Extension Recognition Order").

O. **Business Judgment and Good Faith Pursuant to Section 364(e).**

(i) The terms and conditions of the Eighth Replacement DIP Facility, and the principal, interest (including, without limit, interest paid in kind), fees, expenses, and other liabilities paid and to be paid thereunder, are fair, reasonable, and the best available under the circumstances, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and consideration;

(ii) The Eighth Replacement DIP Facility was negotiated in good faith and at arm's length among the Debtors and the DIP Lenders; and

(iii) The proceeds of the Eighth Replacement DIP Loans shall be so extended in good faith and for valid business purposes and uses, as a consequence of which the DIP Lenders are entitled to the protection and benefits of section 364(e) of the Bankruptcy Code.

P. **Other Findings and Conclusions Regarding DIP Lenders.**

(i) Indemnity. The DIP Lenders have acted in good faith, and without negligence or violation of public policy or law, in respect of all actions taken by them in connection with, or related in any way to, negotiating, implementing, documenting, or obtaining requisite approvals of the Eighth Replacement DIP Facility, including in respect of the granting of the DIP Liens, any challenges or objections to the Eighth Replacement DIP Facility, and all documents related to and all financing transactions approved hereby. Accordingly, the DIP

Lenders, in their capacity as such, shall be and hereby are indemnified and held harmless by the LP DIP Obligors (and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. Debtors and the LP Debtors) in respect of any claim or liability incurred in respect thereof or in any way related thereto. No exception or defense in contract, law, or equity exists as to any obligation (contractual or legal) to indemnify and/or hold harmless any of the DIP Lenders, in their capacity as such, and any such defenses are hereby waived, except to the extent resulting from the applicable DIP Lender's gross negligence or willful misconduct as determined by a final non-appealable order of a court of competent jurisdiction.

(ii) No Control. None of the DIP Lenders are control persons or insiders of the Debtors or any of their affiliates by virtue of any of the actions taken with respect to, in connection with, related to, or arising from the Eighth Replacement DIP Facility and/or the Eighth Replacement DIP Credit Documents.

(iii) No Claims, Causes of Action. As of the date hereof, there exist no claims or causes of action against any of the DIP Lenders with respect to, in connection with, related to, or arising from the Eighth Replacement DIP Facility that may be asserted by the Debtors or any other person or entity.

Q. **Relief Essential; Best Interests**. The relief requested in the Motion (and provided in this Order) is necessary, essential, and appropriate for the continued management and preservation of the Debtors' assets and property and to preserve the possibility of confirming a chapter 11 plan of reorganization. It is in the best interest of, and will benefit, the Debtors, their estates, and their creditors and equity holders that each DIP Obligor be allowed to enter into

the Eighth Replacement DIP Facility and incur the Eighth Replacement DIP Obligations as authorized herein.

R. **Adequate Protection for Prepetition Secured Parties**. The Prepetition Secured Parties are entitled to adequate protection for the priming of their liens and the other rights granted to the DIP Lenders hereunder. The adequate protection provided to the Prepetition Secured Parties in the Final Cash Collateral Order is sufficient adequate protection of the interests of the Prepetition Secured Parties, and is fair, reasonable, and sufficiently reflects that the Debtors have exercised prudent business judgment in agreeing to this Order and entering into the Eighth Replacement DIP Facility. Nothing in this Order shall be construed as a consent by any Prepetition Secured Party that it would be adequately protected in the event of any alternative debtor in possession financing or for any purposes in the Chapter 11 Cases other than entry of this Order. Until and subject to the satisfaction of the Inc. DIP Obligors Conditions Precedent and the incurrence of the Tranche B Loans on the Delayed Draw Funding Date, the adequate protection to be provided to the Prepetition Inc. Agent and the Prepetition Inc. Secured Parties shall be governed in all respects by the Inc. DIP Order.

**NOW, THEREFORE,** on the Motion of the Debtors and the record before this Court with respect to the Motion, including the record made during the Hearing, and good and sufficient cause appearing therefor,

**IT IS ORDERED** that:

1. **Motion Granted**. The Motion is granted on a final basis in accordance with the terms and conditions set forth in this Order. Any objections to the Motion, to the extent not withdrawn, waived, or otherwise resolved, are hereby denied and overruled.

2. **Eighth Replacement DIP Facility**.

(a) **Eighth Replacement DIP Obligations; Availability and Final Maturity Date, etc.** The LP DIP Obligors and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Obligors are hereby expressly and immediately authorized and directed to enter into the Eighth Replacement DIP Facility, to borrow the Eighth Replacement DIP Loans, and to incur and to perform the Eighth Replacement DIP Obligations in accordance with and subject to this Order and, as applicable, any other Eighth Replacement DIP Credit Documents, to execute and/or deliver any Eighth Replacement DIP Credit Documents and, as provided herein, all other instruments, certificates, agreements, and documents, and to take all actions, which may be reasonably required or otherwise necessary for the performance by the DIP Obligors (including, for the avoidance of doubt, the creation and perfection of the DIP Liens described and provided for herein). The LP DIP Obligors and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Obligors are hereby authorized and directed to pay all principal of the Eighth Replacement DIP Loans (including, if the Tranche B Loans are incurred, the Tranche B Loans), interest thereon (including, without limitation, accrued but unpaid interest and interest paid in kind), fees and expenses, indemnities, and other amounts described herein and, as applicable, in the other Eighth Replacement DIP Credit Documents, as such shall accrue and become due hereunder or thereunder, including, without limitation, the Commitment Fee and DIP Professional Fees, as and to the extent provided for herein (collectively, all loans, advances, extensions of credit, financial accommodations, interest, fees (including the Commitment Fee and DIP Professional Fees as and to the extent provided for herein), expenses, and other

liabilities and obligations (including indemnities and similar obligations) in respect of the Eighth Replacement DIP Facility and the other Eighth Replacement DIP Credit Documents, the "Eighth Replacement DIP Obligations"); provided, however, for the avoidance of doubt, no Inc. DIP Obligors shall be obligated with respect to any of the Eighth Replacement DIP Obligations until the satisfaction of the Inc. DIP Obligors Conditions Precedent and the incurrence of the Tranche B Loans on the Delayed Draw Funding Date. Interest on the Eighth Replacement DIP Loans shall accrue at the rates and be paid as set forth in Annex A hereto. The Eighth Replacement DIP Credit Documents and all Eighth Replacement DIP Obligations are hereby, and shall represent, constitute, and evidence, as the case may be, valid and binding obligations of the LP DIP Obligors and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Obligors, in each case, enforceable against the DIP Obligors, their estates, and any successors thereto in accordance with their terms. The term of the Eighth Replacement DIP Facility shall commence on the date all of the conditions precedent set forth in subparagraph (c)(i) of this paragraph 2 are satisfied and end on the Final Maturity Date (as defined herein), subject to the terms and conditions set forth herein and in the other Eighth Replacement DIP Credit Documents, including the protections afforded a party acting in good faith under section 364(e) of the Bankruptcy Code. The Eighth Replacement DIP Facility shall mature on the earlier of (i) December 30, 2015 and (ii) the effective date of any plan of reorganization confirmed in the Debtors' Chapter 11 Cases; provided that if the Conditions to Combined Delayed Draw Funding (as defined herein) set forth in subparagraph (c)(ii) of this paragraph 2 have not been satisfied prior to or on April 30, 2015 and the Tranche B Loans have not been incurred, and the LP DIP Borrower has not elected, in writing delivered to the DIP Lenders prior to or on April 30, 2015,

to increase the *per annum* rate of the PIK Interest (as defined in Annex A hereto) applicable to the Initial DIP Loans from 9.0% to 15.0% as provided for, and in accordance with, Section 2(a) of Annex A hereto, the Final Maturity Date of the Eighth Replacement DIP Facility shall instead be June 1, 2015 (such earliest date, the "Final Maturity Date"). On the Final Maturity Date, all Eighth Replacement DIP Obligations shall be paid in full and in cash in U.S. dollars and to each DIP Lender in accordance with its Relevant Percentage and in accordance with payment instructions provided by such DIP Lender; provided, that if the Eighth Replacement DIP Facility matures on the Effective Date of (and as defined in) the Plan, the Eighth Replacement DIP Obligations owed to SIG Holdings, Inc. or its affiliates (collectively, SIG") shall receive the treatment specified in the Plan.

(b) **Authorization To Borrow; Guarantees, etc**. Subject to the terms and conditions of this Order and the other Eighth Replacement DIP Credit Documents (including the Eighth Replacement DIP Budget), (i) the LP DIP Borrower is hereby authorized and directed to borrow the Eighth Replacement DIP Loans under the Eighth Replacement DIP Facility, and, if the Conditions to Combined Delayed Draw Funding and the Inc. DIP Obligors Conditions Precedent are satisfied, the Inc. DIP Borrower is hereby authorized and directed, as of the Delayed Draw Funding Date, to borrow the Tranche B Loans under the Eighth Replacement DIP Facility, and (ii) the LP DIP Borrower and the other LP DIP Obligors are authorized and are hereby deemed to, and shall, guarantee repayment of the Eighth Replacement DIP Loans and all other Eighth Replacement DIP Obligations, up to an aggregate principal amount of up to $315,000,000, plus all interest (including, without limitation, interest paid in kind), fees (including, without limitation, the Commitment Fee and the DIP Professional Fees), expenses, and all other liabilities and obligations constituting Eighth Replacement DIP Obligations under

the Eighth Replacement DIP Credit Documents, and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the DIP Borrowers and the other DIP Obligors are authorized and are hereby deemed to, and shall, guarantee repayment of the Eighth Replacement DIP Loans and all other Eighth Replacement DIP Obligations, up to an aggregate principal amount of up to $650,000,000, plus all interest (including, without limitation, interest paid in kind), fees (including, without limitation, the Commitment Fee and the DIP Professional Fees), expenses, and all other liabilities and obligations constituting Eighth Replacement DIP Obligations under the Eighth Replacement DIP Credit Documents, in each case, without any right of notice, presentment, setoff, or waiver. Upon the making of the Initial DIP Loans, the concurrent indefeasible payment in full by the LP DIP Borrower of all Seventh Replacement LP DIP Obligations under (and as defined in) the Seventh Replacement LP DIP Order and the satisfaction of the other conditions precedent set forth in paragraph 2(c)(i) below, all Seventh Replacement Notes under (and as defined in) the Seventh Replacement LP DIP Order are hereby automatically cancelled without any further action by any person. Upon the satisfaction of the Inc. DIP Obligors Conditions Precedent and the incurrence of the Tranche B Loans on the Delayed Draw Funding Date, the DIP Agreement under (and as defined in) the Inc. DIP Order shall be hereby automatically terminated, and any notes issued thereunder shall be automatically cancelled, in each case without any further action by any person.

(c) **Conditions Precedent**. (i) No Initial DIP Lender shall have any obligation to make its Initial DIP Loan or any other financial accommodation hereunder or under the other Eighth Replacement DIP Credit Documents (and the LP DIP Borrower shall not make any request therefor) unless all of the following conditions precedent to making the Initial DIP

Loans have been satisfied (or are satisfied concurrently with the making of the Initial DIP Loans): (A) the entry of this Order, including, without limitation, approval of the terms of the Initial DIP Loans as set forth herein, (B) the entry of the Eleventh Order Amending First Cash Collateral Order, (C) the execution and delivery of the Eighth Replacement Notes and the DIP Obligor Guaranties by each applicable LP DIP Obligor, (D) receipt of evidence as to the delivery of certificates, if any, evidencing equity ownership in the Additional LP DIP Subsidiary Guarantors, together with undated stock powers thereof, executed in blank, to the Prepetition LP Collateral Trustee, (E) the payment of the Commitment Fee by the LP DIP Borrower, (F) payment of the DIP Professional Fees by the LP DIP Borrower, as and to the extent provided for herein, and (G) all Seventh Replacement LP DIP Obligations under (and as defined in) the Seventh Replacement LP DIP Order shall be indefeasibly paid in full, all commitments thereunder will be terminated, and any security interests or guarantees in connection therewith will be terminated or released. The Canadian DIP Recognition Order and the Canadian Eleventh Cash Collateral Extension Recognition Order shall have been entered by no later than February 2, 2015. As used herein, the "Initial Borrowing Date" shall mean the first date that all of the conditions precedent in this subparagraph 2(c)(i) are satisfied and the Initial DIP Loans are made and/or converted in accordance with this Order (including, for the avoidance of doubt, Annex A hereto) (such Eighth Replacement DIP Loans made on the Initial Borrowing Date, the "Initial DIP Loans" and, together with the Delayed Draw Tranche A Loans, the "Tranche A Loans" and, the Tranche A Loans together with the Tranche B Loans, if applicable, the "Eighth Replacement DIP Loans").

(ii) No DIP Lender shall have any obligation to make its respective Delayed Draw Replacement DIP Loan or any other financial accommodation hereunder or under the other

Eighth Replacement DIP Credit Documents (and no DIP Borrower shall make any request therefor) unless each of the following conditions precedent to making the Delayed Draw Replacement DIP Loans have been satisfied (or are satisfied concurrently with the making of the Delayed Draw Replacement DIP Loans) prior to or on April 30, 2015: (A) the Court shall have entered an order (the "Confirmation Order") in form and substance reasonably satisfactory to the DIP Lenders, and, to the extent provided by the Plan Support Agreement and the Plan, the Debtors, the New Investors, and MAST, confirming the Plan, (B) the entry of the Canadian DIP Recognition Order and the Canadian Eleventh Cash Collateral Extension Recognition Order by the Canadian Court, (C) the entry of an order in form and substance acceptable to the DIP Lenders, and, to the extent provided by the Plan Support Agreement and the Plan, the Debtors, the New Investors and MAST, by the Canadian Court in connection with the Canadian Proceedings recognizing the entry of the Confirmation Order, (D) in accordance with the terms of this Order and the Canadian DIP Recognition Order, the DIP Lenders shall be granted the Inc. DIP Liens on the Inc. DIP Collateral immediately upon the satisfaction of the Inc. DIP Obligors Conditions Precedent, (E) this Order and the Canadian DIP Recognition Order remain in full force and effect as in effect on the date of this Order; (F) (i) the Court shall have entered an order in form and substance satisfactory to the DIP Lenders providing for the Debtors' use of cash collateral (the "Cash Collateral Extension Order") through December 30, 2015; provided, that, in order to satisfy the Conditions to Reduced Delayed Draw Funding, the Cash Collateral Extension Order shall provide for the LP Obligors' use of cash collateral through June 1, 2015, and (ii) the DIP Obligors, if the Conditions to Combined Delayed Draw Funding are satisfied, or the LP DIP Obligors, if the Conditions to Reduced Delayed Draw Funding are satisfied, shall obtain an order in form and substance acceptable to the DIP Lenders by the Canadian Court in connection with

the Canadian Proceedings recognizing the entry of the Cash Collateral Extension Order; (G) there shall not exist any challenge or objection whatsoever to the DIP Liens on adequate protection grounds or, if any such challenge or objection has been timely brought, the Court (and the Canadian Court, if applicable) has denied or overruled such challenge or objection, (H) the execution and delivery of the applicable Eighth Replacement Notes by the DIP Borrowers, (I) the execution and delivery of the DIP Obligor Guaranties by each Inc. DIP Obligor, (J) the execution and delivery of the LP DIP Obligor Reaffirmation by each LP DIP Obligor, (K) receipt of evidence as to the delivery of certificates, if any, evidencing equity ownership in the LP DIP Obligors and their respective subsidiaries, together with undated stock powers thereof, executed in blank, to the Prepetition LP Collateral Trustee, (L) receipt of evidence as to the delivery of certificates, if any, evidencing equity ownership in the Inc. DIP Obligors and their respective subsidiaries (other than the LP DIP Obligors), together with undated stock powers thereof, executed in blank, to the Prepetition Inc. Agent, (M) the payment of the Commitment Fee and any unpaid DIP Professional Fees, (N) the Court shall not have entered an order (i) dismissing any of the Chapter 11 Cases or converting any such Chapter 11 Cases to cases under chapter 7, (ii) appointing a chapter 11 trustee in any of the Chapter 11 Cases, or (iii) appointing an examiner with enlarged powers in any of the Chapter 11 Cases, and (O) the DIP Lenders shall have received the New Investor Consent (as defined herein) (the foregoing conditions, collectively the "Conditions to Combined Delayed Draw Funding"); provided, however, if all of the Conditions to Combined Delayed Draw Funding other than clauses A, B, C, D, I, L, and O are satisfied on or prior to April 30, 2015 (the "Conditions to Reduced Delayed Draw Funding"), the Delayed Draw LP DIP Lenders shall make Delayed Draw Tranche A Loans to the LP DIP Borrower in an aggregate principal amount not to exceed $30,000,000.

(d) **DIP Collateral**. (i) As used herein, "LP DIP Collateral" shall mean all Prepetition LP Collateral (as defined in Annex A hereto), including Cash Collateral of the Prepetition LP Secured Parties, of any DIP Obligor together with (A) all equity interests of any LP Debtor in LightSquared Finance Co., LightSquared Network LLC, and Lightsquared Bermuda Ltd. (together, the "Additional LP DIP Subsidiary Guarantors") and (B) all now owned or hereafter acquired assets and property, whether real or personal, tangible or intangible, of each of the Additional LP DIP Subsidiary Guarantors; provided, however, that the LP DIP Collateral shall not include any permit or license issued by a Governmental Authority (as defined in the Prepetition LP Credit Agreement) or other agreement (but shall, for the avoidance of doubt, include any proceeds thereof) to the extent and for so long as the terms thereof validly prohibit the creation by the pledgor thereof of a security interest in such permit, license, or other agreement.

(ii) As used herein, "Inc. DIP Collateral" shall mean all Prepetition Inc. Collateral, including Cash Collateral of the Prepetition Inc. Secured Parties, of any Inc. DIP Obligor; provided, however, that the Inc. DIP Collateral shall not include any permit or license issued by a Governmental Authority (as defined in the Prepetition Inc. Credit Agreement) or other agreement (but shall, for the avoidance of doubt, include any proceeds thereof) to the extent and for so long as the terms thereof validly prohibit the creation by the pledgor thereof of a security interest in such permit, license, or other agreement. As used herein, "DIP Collateral" shall mean, collectively, the LP DIP Collateral and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Collateral.

(e) **DIP Liens**. (i) Effective immediately upon the entry of this Order, and subject only to the LP Carve-Out (as defined in the Final Cash Collateral Order and as set forth more fully in this Order), the LP DIP Lenders, and only to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Tranche B Lenders, are hereby granted the following security interests and liens, which shall immediately be valid, binding, perfected, continuing, enforceable, and non-avoidable (all such liens and security interests granted hereby, the "LP DIP Liens"):

(A) pursuant to section 364(c)(2) of the Bankruptcy Code, valid, enforceable, perfected, and non-avoidable first priority liens on and security interests in all LP DIP Collateral that was not encumbered by valid, enforceable, perfected, and non-avoidable liens as of the Petition Date;

(B) pursuant to section 364(c)(3) of the Bankruptcy Code, valid, enforceable, perfected, and non-avoidable liens on and security interests in (1) all LP DIP Collateral which is unencumbered by the Prepetition LP Liens but on which a third party, i.e., not the Prepetition LP Secured Parties or Prepetition Inc. Secured Parties (a "Third Party Lienholder"), had a pre-existing lien on the Petition Date and (2) all LP DIP Collateral encumbered by the Prepetition LP Liens and LP Adequate Protection Liens on which a Third Party Lienholder had a pre-existing lien on the Petition Date that was senior to the Prepetition LP Liens, in each case junior only to any such liens and security interests of Third Party Lienholders, but solely to the extent that such liens and security interests

of Third Party Lienholders were in each case valid, enforceable, perfected, and non-avoidable as of the Petition Date and were permitted by the terms of the Prepetition LP Credit Documents; and

(C) pursuant to section 364(d) of the Bankruptcy Code, valid, enforceable, perfected, and non-avoidable liens on and security interests in all Prepetition LP Collateral of the LP DIP Obligors, which liens and security interests shall be senior to and prime the Prepetition LP Liens and any LP Adequate Protection Liens.

(ii) To the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, and subject only to the Inc. Carve-Out, the DIP Lenders are hereby granted the following security interests and liens, which shall immediately be valid, binding, perfected, continuing, enforceable, and non-avoidable (all such liens and security interests granted hereby, the "Inc. DIP Liens" and, together with the LP DIP Liens, the "DIP Liens"):

(A) pursuant to section 364(c)(2) of the Bankruptcy Code, valid, enforceable, perfected, and non-avoidable first priority liens on and security interests in all Inc. DIP Collateral that was not encumbered by valid, enforceable, perfected, and non-avoidable liens as of the Petition Date;

(B) pursuant to section 364(c)(3) of the Bankruptcy Code, valid, enforceable, perfected, and non-avoidable liens on and security interests in (1) all Inc. DIP Collateral which is unencumbered by the Prepetition Inc. Liens but on which a Third Party Lienholder had a pre-existing lien on the

Petition Date and (2) all Inc. DIP Collateral encumbered by the Prepetition Inc. Liens and Inc. Adequate Protection Liens on which a Third Party Lienholder had a pre-existing lien on the Petition Date that was senior to the Prepetition Inc. Liens, in each case junior only to any such liens and security interests of Third Party Lienholders, but solely to the extent that such liens and security interests of Third Party Lienholders were in each case valid, enforceable, perfected, and non-avoidable as of the Petition Date and were permitted by the terms of the Prepetition Inc. Credit Documents; and

(C) pursuant to section 364(d) of the Bankruptcy Code, valid, enforceable, perfected, and non-avoidable liens on and security interests in all Prepetition Inc. Collateral of the Inc. DIP Obligors, which liens and security interests shall be senior to and prime the Prepetition Inc. Liens and any Inc. Adequate Protection Liens.

(f) **Other Provisions Relating to DIP Liens**. (i) The LP DIP Collateral (and no Inc. DIP Collateral) shall secure all of the Eighth Replacement DIP Obligations (consisting of the Initial DIP Loans and the Delayed Draw Tranche A Loans). The LP DIP Liens shall not, without the consent of each of the LP DIP Lenders, be made junior to, or *pari passu* with, any other lien or security interest, other than to the extent expressly provided herein and to the LP Carve-Out, by any court order heretofore or hereafter entered in the Chapter 11 Cases of any of the LP DIP Obligors, and shall be valid and enforceable against any trustee appointed in the Chapter 11 Cases of any of the LP DIP Obligors, upon the conversion of any of the Chapter 11 Cases of any of the LP DIP Obligors to a case under chapter 7 of the Bankruptcy Code or in any

other proceedings related to any of the foregoing (such cases or proceedings, the "LP Successor Cases"), and/or upon the dismissal of any of the Chapter 11 Cases of any of the LP DIP Obligors. The LP DIP Liens shall not be subject to sections 510, 549, 550, or 551 of the Bankruptcy Code or the "equities of the case" exception of section 552 of the Bankruptcy Code or section 506(c) of the Bankruptcy Code.

(ii) To the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Liens, in addition to the LP DIP Liens, shall secure all of the Eighth Replacement DIP Obligations. The Inc. DIP Liens shall not, without the consent of each of the DIP Lenders, be made junior to, or *pari passu* with, any other lien or security interest, other than to the extent expressly provided herein and to the Inc. Carve-Out, by any court order heretofore or hereafter entered in the Chapter 11 Cases of any of the Inc. DIP Obligors, and shall be valid and enforceable against any trustee appointed in the Chapter 11 Cases of any of the Inc. DIP Obligors, upon the conversion of any of the Chapter 11 Cases of any of the Inc. DIP Obligors to a case under chapter 7 of the Bankruptcy Code or in any other proceedings related to any of the foregoing (together with the LP Successor Cases, the "Successor Cases"), and/or upon the dismissal of any of the Chapter 11 Cases of any of the Inc. DIP Obligors. The Inc. DIP Liens shall not be subject to sections 510, 549, 550, or 551 of the Bankruptcy Code or the "equities of the case" exception of section 552 of the Bankruptcy Code or section 506(c) of the Bankruptcy Code. For the avoidance of doubt, the DIP Liens granted to the Tranche B Lenders on the DIP Collateral shall be *pari passu* with the DIP Liens granted to the LP DIP Lenders on the DIP Collateral.

(g) **Superpriority Administrative Claim Status**. The Eighth Replacement DIP Obligations shall, pursuant to section 364(c)(1) of the Bankruptcy Code, at all times

constitute (i) LP DIP Superpriority Claims, and be payable from and have recourse to all LP DIP Collateral and (ii) to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, Inc. DIP Superpriority Claims and LP DIP Superpriority Claims, and be payable from and have recourse to all Inc. DIP Collateral and the LP DIP Collateral. The LP DIP Superpriority Claims shall be subject and subordinate only to the LP Carve-Out, and the Inc. DIP Superpriority Claims shall be subject and subordinate only to the Inc. Carve-Out. Other than to the extent expressly provided herein, and with respect to the LP Carve-Out, no costs or expenses of administration, including, without limitation, any LP Section 507(b) Claim as defined in, and granted under, the Final Cash Collateral Order or hereunder or any professional fees allowed and payable under Bankruptcy Code sections 328, 330, and 331, or otherwise, that have been or may be incurred in these proceedings or in any Successor Cases, and no priority claims are, or will be, senior to, prior to, or *pari passu* with the LP DIP Superpriority Claims or any of the Eighth Replacement DIP Obligations, or with any other claims of the DIP Lenders arising hereunder, under the other Eighth Replacement DIP Credit Documents, or otherwise in connection with the Eighth Replacement DIP Facility. To the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, other than to the extent expressly provided herein, and with respect to the Inc. Carve-Out, no costs or expenses of administration, including, without limitation, any Inc. Section 507(b) Claim as defined in, and granted under, the Final Cash Collateral Order or hereunder or any professional fees allowed and payable under Bankruptcy Code sections 328, 330, and 331, or otherwise, that have been or may be incurred in these proceedings or in any Successor Cases, and no priority claims are, or will be, senior to, prior to, or *pari passu* with the Inc. DIP Superpriority Claims or any of the Eighth

Replacement DIP Obligations, or with any other claims of the DIP Lenders arising hereunder, under the other Eighth Replacement DIP Credit Documents, or otherwise in connection with the Eighth Replacement DIP Facility.

3. **Authorization and Approval To Use Proceeds of Eighth Replacement DIP Facility**.

(a) Subject to the terms and conditions of this Order and the other Eighth Replacement DIP Credit Documents, and to the adequate protection granted to or for the benefit of the Prepetition LP Secured Parties as hereinafter set forth, each LP DIP Obligor is authorized and directed to request and use proceeds of the Initial DIP Loans, (i) first, to indefeasibly repay in full all outstanding Seventh Replacement LP DIP Obligations under (and as defined in) the Seventh Replacement LP DIP Order and the other Seventh Replacement LP DIP Credit Documents (as defined in the Seventh Replacement LP DIP Order) and (ii) second, for (A) working capital, other general corporate purposes, and permitted payment of costs of administration of the LP Debtors' Chapter 11 Cases in order to provide the LP Debtors with sufficient time and liquidity to confirm a plan of reorganization, in each case only for the purposes specifically set forth in this Order and for the types of expenditures set forth in the Eighth Replacement DIP Budget and (B) payment of DIP Professional Fees (as and to the extent set forth herein).

(b) Subject to the terms and conditions of this Order (including the satisfaction of the Conditions to Combined Delayed Draw Funding) and the other Eighth Replacement DIP Credit Documents, and to the adequate protection granted to or for the benefit of the Prepetition Secured Parties as hereinafter set forth and in the Inc. DIP Order, (i) each Inc. DIP Obligor is authorized and directed to request and use proceeds of the Tranche B Loans, (A)

first, to indefeasibly repay in full, in cash the Inc. DIP Loans other than the SIG Inc. DIP Loans, which SIG Inc. DIP Loans shall be converted on a dollar-for-dollar basis into, and be deemed, Tranche B Loans, (B) second, to indefeasibly pay in full, in cash all accrued and unpaid Prepetition Inc. Fee Claims and DIP Inc. Fee Claims (including, if necessary, estimates of such Prepetition Inc. Fee Claims and DIP Inc. Fee Claims through and including the Delayed Draw Funding Date), and (C) third, for (1) working capital, other general corporate purposes, and permitted payment of costs of administration of the Debtors' Chapter 11 Cases in order to provide the Debtors with sufficient time and liquidity to consummate a confirmed plan of reorganization, in each case only for the purposes specifically set forth in this Order and for the types of expenditures set forth in the Eighth Replacement DIP Budget and (2) subject to the satisfaction of the Inc. DIP Obligors Conditions Precedent and the incurrence of the Tranche B Loans and on the Delayed Draw Funding Date, payment of the DIP Professional Fees (as and to the extent set forth herein), and (ii) each LP DIP Obligor is authorized and directed to request and use all proceeds of the Delayed Draw Tranche A Loans for (A) working capital, other general corporate purposes, and permitted payment of costs of administration of the Debtors' Chapter 11 Cases in order to provide the Debtors with sufficient time and liquidity to consummate a confirmed plan of reorganization, in each case only for the purposes specifically set forth in this Order and for the types of expenditures set forth in the Eighth Replacement DIP Budget and (B) payment of the Commitment Fee and the DIP Professional Fees (as and to the extent set forth herein).

(c) Notwithstanding anything herein to the contrary, the Eighth Replacement DIP Obligations shall be due and payable on the Final Maturity Date.

(d) Nothing in this Order shall authorize the disposition of any assets of the LP DIP Obligors or their estates (and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Obligors or their estates) or other proceeds resulting therefrom outside the ordinary course of business, except as permitted herein (subject to any required Court approval).

(e) Except as permitted by this Order and the Eighth Replacement DIP Budget, the LP DIP Obligors (and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Obligors) shall not make any payment on any prepetition indebtedness or obligations other than those authorized by the Court in accordance with orders entered into, on, or prior to the date hereof.

4. **Adequate Protection for Prepetition Secured Parties**. (a) Pursuant to sections 361, 362, and 363(e) of the Bankruptcy Code, as adequate protection of the interests of the Prepetition LP Agent and the other Prepetition LP Secured Parties in the Prepetition LP Collateral (including Cash Collateral) against any Diminution in Value, the Prepetition LP Agent, for the benefit of the other Prepetition LP Secured Parties, shall continue to receive adequate protection in the form of the LP Adequate Protection Liens, the LP Section 507(b) Claims, and the LP Adequate Protection Payments, in each case, pursuant to and as more fully set forth in the Final Cash Collateral Order.

(b) From and after the satisfaction of the Inc. DIP Obligors Conditions Precedent and the incurrence of the Tranche B Loans on the Delayed Draw Funding Date, pursuant to sections 361, 362, and 363(e) of the Bankruptcy Code, as adequate protection of the interests of the Prepetition Inc. Agent and the other Prepetition Inc. Secured Parties in the

Prepetition Inc. Collateral (including Cash Collateral) against any Diminution in Value, the Prepetition Inc. Agent, for the benefit of the other Prepetition Inc. Secured Parties, shall receive adequate protection in the form of the Inc. Adequate Protection Liens, the Inc. Section 507(b) Claims, and the Adequate Protection Payments (including payment of fees as set forth in the Final Cash Collateral Order), in each case, pursuant to and as more fully set forth in the Final Cash Collateral Order; provided, however, for the avoidance of doubt, until and subject to the satisfaction of the Inc. DIP Obligors Conditions Precedent and the incurrence of the Tranche B Loans on the Delayed Draw Funding Date, the adequate protection to be provided to the Prepetition Inc. Agent and the Prepetition Inc. Secured Parties shall be governed in all respects by the Inc. DIP Order (or, if applicable, an order approving a New Investor New Inc. DIP Facility (as defined in the Plan)).

5. **Monitoring of Collateral**. The DIP Lenders, or their respective consultants and advisors, shall, consistent with past practices, be given reasonable access to the LP DIP Obligors' (and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Obligors') books, records, assets, and properties for purposes of monitoring the applicable DIP Obligors' businesses and the value of the applicable DIP Collateral, and shall be granted reasonable access to the Debtors' senior management.

6. **Financial and Other Reporting**. On Wednesday (or in the event such Wednesday is not a business day, the first business day thereafter) of each week, the Debtors will provide Willkie Farr & Gallagher LLP, Blackstone, and White & Case LLP (who shall reasonably promptly forward such information to each of the DIP Lenders at substantially the same time) with (a) cash balances as of the last day of the prior week and (b) a summary of

material or key expenditures by category during the prior week for the LP DIP Obligors and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, a summary of material or key expenditures by category during the prior week for the DIP Obligors. On the tenth ($10^{th}$) day of each month or the first business day thereafter, the Debtors will provide Willkie Farr & Gallagher LLP, Blackstone, and White & Case LLP (who shall reasonably promptly forward such information to each of the DIP Lenders at substantially the same time) with a reconciliation of revenues generated and expenditures made during the prior month and cumulatively during the Chapter 11 Cases, together with a comparison of such amounts to the amounts projected in the Eighth Replacement DIP Budget. In addition, the Debtors shall provide Blackstone and White & Case LLP with any and all other financial information made available to the Prepetition LP Agent or Ad Hoc LP Secured Group pursuant to the Final Cash Collateral Order.

7. **DIP Lien Perfection**. This Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of the DIP Liens granted hereby without the necessity of filing or recording any financing statement, deed of trust, mortgage, or other instrument or document which may otherwise be required under the law of any jurisdiction or the taking of any other action to validate or perfect the DIP Liens or to entitle the DIP Liens to the priorities granted herein; provided, that the DIP Lenders shall not be granted liens on the Inc. DIP Collateral until the satisfaction of the Inc. DIP Obligors Conditions Precedent and the incurrence of the Tranche B Loans on the Delayed Draw Funding Date. To the extent that the Prepetition LP Agent or, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Prepetition Inc. Agent is the secured party under any account control agreements, listed as loss payee under any of the

Debtors' insurance policies, or is the secured party under any Eighth Replacement DIP Credit Document, the DIP Lenders are also deemed to be secured parties under such account control agreements, loss payees under the Debtors' insurance policies, and the secured parties under each such Eighth Replacement DIP Credit Document, shall have all rights and powers attendant to that position (including, without limitation, rights of enforcement), and shall act in that capacity and distribute any proceeds recovered or received in accordance with the terms of this Order and the other Eighth Replacement DIP Credit Documents. The Prepetition LP Collateral Trustee shall serve as the bailee for the DIP Lenders for the purpose of perfecting their respective security interests and liens on all LP DIP Collateral that is of a type whereby perfection of a security interest therein may be accomplished only by possession or control by a secured party. If the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Prepetition Inc. Agent shall serve as the bailee for the DIP Lenders for the purpose of perfecting their respective security interests and liens on all Inc. DIP Collateral that is of a type whereby perfection of a security interest therein may be accomplished only by possession or control by a secured party.

8. **Carve-Outs**. Subject to the terms and conditions contained in this paragraph, upon the occurrence of the Final Maturity Date, the LP DIP Liens and the LP DIP Superpriority Claims, which have the relative lien and payment priorities as set forth herein, shall, in any event, be subject and subordinate to the LP Carve-Out, without duplication. Subject to the terms and conditions contained in this paragraph, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Liens, which will have the relative lien and payment priorities as set forth herein, shall, in any event, be subject and subordinate to the Inc. Carve-Out, without duplication.

No portion of the LP Carve-Out or, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. Carve-Out and no proceeds of the Eighth Replacement DIP Facility or Eighth Replacement DIP Loans may be used for the payment of the fees and expenses of any person incurred in challenging, or in relation to the challenge of, any of the DIP Liens or the DIP Superpriority Claims.

9. **Payment of Compensation**. Nothing herein shall be construed as a consent to the allowance of any professional fees or expenses of any of the Debtors or shall limit or otherwise affect the right of the DIP Lenders and/or the Prepetition Secured Parties to object to the allowance and payment of any such fees and expenses. The Debtors shall be permitted to pay compensation and reimbursement of expenses allowed and payable under sections 330 and 331 of the Bankruptcy Code and in accordance with the Eighth Replacement DIP Budget, as the same may be due and payable and the same shall not reduce the LP Carve-Out or, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. Carve-Out.

10. **Section 506(c) Claims**. Except to the extent of the LP Carve-Out and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. Carve-Out, no expenses of the administration of these Chapter 11 Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the LP DIP Collateral or the Inc. DIP Collateral, as applicable, pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law or in equity,

without the prior written consent of the DIP Lenders, and no such consent shall be implied from any other action or inaction by the DIP Lenders.

11. **Collateral Rights; Limitations in Respect of Subsequent Court Orders**. Without limiting, and subject to, any other provisions of this Order, there shall not be entered in the Chapter 11 Cases of any LP DIP Obligor or in any LP Successor Case (and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, there shall not be entered in the Chapter 11 Cases of any DIP Obligor or in any Successor Case), any order which authorizes (a) the obtaining of credit or the incurring of indebtedness that is secured by a security, mortgage, or collateral interest or other lien on all or any portion of the LP DIP Collateral (and the Inc. DIP Collateral to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date) and/or entitled to priority administrative status which is superior to or *pari passu* with those granted pursuant to this Order to or for the benefit of the DIP Lenders or the Prepetition Secured Parties; (b) the use of Cash Collateral for any purpose other than as set forth in the Final Cash Collateral Order or the Eighth Replacement DIP Budget; (c) any LP DIP Obligor (and any Inc. DIP Obligor to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date) to incur, create, assume, guarantee, or permit to exist, directly or indirectly, any additional indebtedness, except (i) indebtedness incurred under this Order and the other Eighth Replacement DIP Credit Documents, (ii) indebtedness existing on the date of this Order (other than indebtedness created pursuant to the Seventh Replacement LP DIP Order, which shall be repaid in full from the proceeds of the Eighth Replacement DIP Loans as set forth herein) and additional indebtedness (including interest, fees, premium, expenses, or other

amounts accrued thereon) in accordance with the terms of such indebtedness, or (iii) indebtedness incurred in the ordinary course and not for borrowed money, which would not be senior in right of payment to the Eighth Replacement DIP Obligations; or (d) any LP DIP Obligor (and any Inc. DIP Obligor to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date) to create, incur, assume, or permit to exist, directly or indirectly, any lien on any property now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except (i) liens granted pursuant to this Order or the other Eighth Replacement DIP Credit Documents, (ii) any lien in existence on the date of this Order (other than DIP Liens created pursuant to (A) the Seventh Replacement LP DIP Order, which shall be discharged and terminated in full upon payment in full of all Seventh Replacement LP DIP Obligations created under (and as defined in) the Seventh Replacement LP DIP Order and the other Seventh Replacement LP DIP Credit Documents (as defined in the Seventh Replacement LP DIP Order) and (B) the Inc. DIP Order, which shall be discharged and terminated in full to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date), and (iii) liens incurred in the ordinary course and which do not secure indebtedness for borrowed money, which would be junior to the DIP Liens.

12. **Proceeds of Subsequent Financing**. Without limiting the provisions and protections of paragraph 11 above, if at any time prior to the indefeasible repayment and satisfaction in full, in cash of all Eighth Replacement DIP Obligations, the LP DIP Obligors' estates (and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Obligors' estates), any trustee, any examiner with enlarged powers, or any responsible officer subsequently

appointed in the applicable DIP Obligors' Chapter 11 Cases shall obtain credit or incur debt in violation of this Order or the other Eighth Replacement DIP Credit Documents, then all of the cash proceeds derived from such credit or debt shall immediately be turned over to the DIP Lenders for application in accordance with this Order.

13. **Cash Management**. Until the payment in full, in cash of all Eighth Replacement DIP Obligations, the LP DIP Obligors (and upon the satisfaction of the Inc. DIP Obligors Conditions Precedent and the incurrence of the Tranche B Loans on the Delayed Draw Funding Date, the Inc. DIP Obligors) shall maintain the cash management system as set forth in the *Final Order (A) Authorizing Debtors To (I) Continue Using Existing Cash Management Systems, Bank Accounts and Business Forms and (II) Continue Intercompany Transactions, (B) Providing Postpetition Intercompany Claims Administrative Expense Priority, (C) Authorizing Debtors' Banks To Honor All Related Payment Requests, and (D) Waiving Investment Guidelines of Section 345(b) of Bankruptcy Code* [Docket No. 115] (the "Cash Management Order"), or as otherwise required by the Eighth Replacement DIP Credit Documents. To the extent the Debtors are required to give notice to any party as set forth in the Cash Management Order, such notice shall also be given to White & Case, LLP, as counsel to the Backstop Parties and the Ad Hoc LP Secured Group, and to each DIP Lender. The DIP Lenders shall be deemed to have "control" over the LP DIP Obligors' (and, if the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Obligors') cash management accounts for all purposes of perfection under the Uniform Commercial Code. All amounts collected in the cash collection accounts of the DIP Obligors may be used and applied in accordance with this Order.

14. **Disposition of DIP Collateral**. The LP DIP Obligors, and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Obligors, shall not sell, transfer, lease, encumber, or otherwise dispose of any portion of the LP DIP Collateral or the Inc. DIP Collateral, as applicable, outside of the ordinary course of business unless approved by the Court, subject to the right of any party in interest to object.

15. **Release**. The LP DIP Obligors, and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Obligors, on behalf of themselves and their estates (including any successor trustee or other estate representative in the Chapter 11 Cases or Successor Cases) and any party acting by, through, or under the applicable DIP Obligors or their estates, forever and irrevocably release, discharge, waive and acquit each of the DIP Lenders, and each of their respective former, current and future officers, employees, directors, agents, representatives, owners, members, partners, financial and other advisors and consultants, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, and predecessors and successors in interest of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness and obligations, in each case arising out of, in connection with, or relating to the Eighth Replacement DIP Facility and/or the Eighth Replacement DIP Credit Documents, including, without limitation, (A) any so-called "lender liability" or equitable subordination claims or defenses with respect to or relating to the Eighth Replacement DIP Obligations, DIP Liens, or Eighth Replacement DIP Facility, as applicable, (B) any and all claims and causes of action arising under the Bankruptcy Code, and (C) any and all

claims with respect to the validity, priority, perfection, or avoidability of the liens or secured claims of the DIP Lenders.

16. **Termination of Automatic Stay; Rights and Remedies Following Final Maturity Date**.

(a) The Eighth Replacement DIP Obligations shall be due and payable on the Final Maturity Date.

(b) Any automatic stay otherwise applicable to the DIP Lenders in the LP DIP Obligors' Chapter 11 Cases (and, if the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Obligors' Chapter 11 Cases) in connection with the Eighth Replacement DIP Facility is hereby modified so that, following the Final Maturity Date, the DIP Lenders shall be immediately entitled to exercise all of their rights and remedies in respect of the LP DIP Collateral, and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Collateral, in accordance with this Order and/or the other Eighth Replacement DIP Credit Documents, as applicable.

(c) On the Final Maturity Date, if the Eighth Replacement DIP Obligations have not been indefeasibly paid in full, in cash (or such other treatment contemplated by the Plan with respect to any Eighth Replacement DIP Obligations held by SIG), the DIP Lenders are authorized to exercise all remedies and proceed under or pursuant to the applicable Eighth Replacement DIP Credit Documents (which, for the avoidance of doubt, shall be consistent with and incorporate, *mutatis mutandis* to make applicable to the DIP Lenders, the remedies available to the Prepetition LP Secured Parties under the Prepetition LP Credit Documents and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are

incurred on the Delayed Draw Funding Date, the remedies available to the Prepetition Inc. Secured Parties under the Prepetition Inc. Credit Documents) or under applicable law, including the Uniform Commercial Code. All proceeds realized in connection with the exercise of the rights and remedies of the applicable DIP Lenders shall be turned over and applied in accordance with this Order.

(d) The automatic stay imposed under Bankruptcy Code section 362(a) is hereby modified pursuant to the terms of the Eighth Replacement DIP Credit Documents as necessary to (i) permit, as set forth herein, the DIP Obligors to grant DIP Liens and to incur all Eighth Replacement DIP Obligations and all liabilities and obligations to the DIP Lenders hereunder and under the other Eighth Replacement DIP Credit Documents, as the case may be, and (ii) authorize the DIP Lenders to retain and apply payments and otherwise enforce their respective rights and remedies hereunder.

(e) (i) Notwithstanding anything in this Order to the contrary, the Prepetition LP Agent shall not be permitted to exercise any rights or remedies for itself or the Prepetition LP Secured Parties unless and until the Eighth Replacement DIP Obligations including, for the avoidance of doubt, the portion of the Eighth Replacement DIP Obligations (A) originally constituting the Seventh Replacement LP DIP Obligations under (and as defined in) the Seventh Replacement LP DIP Order and (B) constituting the Tranche B Loans, if any, are indefeasibly paid and satisfied in full, in cash.

(ii) Notwithstanding anything in this Order to the contrary, on and after the satisfaction of the Inc. DIP Obligors Conditions Precedent and the incurrence of the Tranche B Loans on the Delayed Draw Funding Date, the Prepetition Inc. Agent shall not be permitted to exercise any rights or remedies for itself or the Prepetition Inc. Secured Parties unless and until

the Eighth Replacement DIP Obligations are indefeasibly paid and satisfied in full, in cash; provided, that if the Effective Date of (and as defined in) the Plan occurs, the Eighth Replacement DIP Obligations held by SIG shall receive the treatment provided for in the Plan.

17. **Applications of Proceeds of Collateral, Payments, and Collections**.

(a) Subject to the LP Carve-Out, upon and after the occurrence of the Final Maturity Date, each DIP Obligor agrees that proceeds of any LP DIP Collateral, any amounts held on account of the LP DIP Collateral, and all payments and collections received by the LP DIP Obligors with respect to all proceeds of LP DIP Collateral and all unexpended proceeds of the Eighth Replacement DIP Loans shall be used and applied to permanently and indefeasibly repay and reduce all Eighth Replacement DIP Obligations then due and owing (including, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Tranche B Loans on a ratable and *pari passu* basis with all other Eighth Replacement DIP Obligations) in accordance with the Eighth Replacement DIP Credit Documents, until paid and satisfied in full, in cash.

(b) To the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, subject to the Inc. Carve-Out, upon and after the occurrence of the Final Maturity Date, each Inc. DIP Obligor agrees that proceeds of any Inc. DIP Collateral, any amounts held on account of Inc. DIP Collateral, and all payments and collections received by the Inc. DIP Obligors with respect to all proceeds of Inc. DIP Collateral and all unexpended proceeds of the Eighth Replacement DIP Loans shall be used and applied to permanently and indefeasibly repay and reduce all Eighth Replacement DIP Obligations then due and owing (including the Tranche B Loans on a ratable

and *pari passu* basis with all other Eighth Replacement DIP Obligations) in accordance with the Eighth Replacement DIP Credit Documents, until paid and satisfied in full, in cash.

(c) No asset or property of the LP DIP Obligors, and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Obligors, may be sold, leased, or otherwise disposed of by any LP DIP Obligor or, if applicable, any Inc. DIP Obligor outside the ordinary course of business absent an order of the Court (and subject to the right to object of any party in interest), and in any event, all proceeds of such sale, lease, or disposition shall be indefeasibly applied to repay the Eighth Replacement DIP Obligations as provided herein.

18. **Other Rights and Obligations**.

(a) **Good Faith Under Section 364(e) of the Bankruptcy Code; No Modification or Stay of Order**. Based on the findings set forth in this Order and in accordance with section 364(e) of the Bankruptcy Code, which is applicable to the Eighth Replacement DIP Facility as approved by this Order, in the event any or all of the provisions of this Order are hereafter modified, amended, or vacated by a subsequent order of this Court or any other court, the DIP Lenders are entitled to the protections provided in section 364(e) of the Bankruptcy Code, and no such modification, amendment, or vacatur shall affect the validity and enforceability of any advances made hereunder or the liens or priority authorized or created hereby. Notwithstanding any such modification, amendment, or vacatur, any claim granted to the DIP Lenders hereunder arising prior to the effective date of such modification, amendment, or vacatur of any LP DIP Liens or of the LP DIP Superpriority Claims and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, of any Inc. DIP Liens or of the Inc. DIP Superpriority Claims,

granted to or for the benefit of the DIP Lenders shall be governed in all respects by the original provisions of this Order, and the DIP Lenders shall be entitled to all of the rights, remedies, privileges, and benefits, including the LP DIP Liens and the LP DIP Superpriority Claims and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Liens and the Inc. DIP Superpriority Claims, granted herein, with respect to any such claim. Because the Eighth Replacement DIP Loans are made in reliance on this Order, the Eighth Replacement DIP Obligations incurred by the DIP Obligors or owed to the DIP Lenders prior to the effective date of any stay, modification, or vacatur of this Order shall not, as a result of any subsequent order in the Chapter 11 Cases of any DIP Obligor or in any Successor Cases, be subordinated, lose their lien priority or superpriority administrative expense claim status, or be deprived of the benefit of the status of the liens and claims granted to the DIP Lenders under this Order.

(b) **Expenses**. The LP DIP Obligors, and, if the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Obligors, shall pay all expenses incurred by the Backstop Parties and the other DIP Lenders (including, without limitation, the reasonable and documented fees and disbursements of their counsel, any other local or foreign counsel that they shall retain, and any internal or third-party appraisers, consultants, financial, restructuring, or other advisors and auditors advising any such counsel) in connection with (i) the preparation, execution, delivery, funding, and administration of the Eighth Replacement DIP Credit Documents, including, without limitation, all due diligence fees and expenses incurred or sustained in connection with the Eighth Replacement DIP Credit Documents and all expenses of the DIP Lenders directly arising from the Motion (including, without limitation, expenses and attorney's fees associated

with the preparation and filing of responsive pleadings relating to the Motion and preparation for, and attendance at, any depositions taken in connection therewith), (ii) the administration of the Eighth Replacement DIP Credit Documents, or (iii) enforcement of any rights or remedies under this Order or the Eighth Replacement DIP Credit Documents, in each case in their capacity as Backstop Parties and/or DIP Lenders, and in each case whether or not the transactions contemplated hereby are fully consummated (collectively, the "DIP Professional Fees"), which, in the case of DIP Professional Fees owed to DIP Lenders other than the Backstop Parties, shall not exceed $75,000 in the aggregate. The Backstop Parties, the other DIP Lenders, and their respective advisors and professionals, shall not be required to comply with the U.S. Trustee fee guidelines, but shall provide reasonably detailed statements (redacted, if necessary, for privileged, confidential, or otherwise sensitive information) to the Office of the U.S. Trustee and counsel for the Debtors on a monthly basis. Within ten (10) days of presentment of such statements, if no written objections to the reasonableness of the fees and expenses charged in any such invoice (or portion thereof) is made, the LP DIP Obligors, and, if the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Obligors, shall promptly pay in cash all such fees and expenses of the Backstop Parties and the DIP Lenders (subject to the cap set forth in the preceding sentence) and their advisors and professionals, subject to the limitations set forth in this Order. Any objection to the payment of such fees or expenses shall be made only on the basis of "reasonableness," and shall specify in writing the amount of the contested fees and expenses and the detailed basis for such objection. To the extent an objection only contests a portion of an invoice, the undisputed portion thereof shall be promptly paid. If any such objection to payment of an invoice (or any portion thereof) is not otherwise resolved between the Debtors or the U.S. Trustee and the issuer

of the invoice, either party may submit such dispute to the Court for a determination as to the reasonableness of the relevant disputed fees and expenses set forth in the invoice. This Court shall resolve any dispute as to the reasonableness of any fees and expenses. For the avoidance of doubt, and without limiting any of the foregoing or any other provision of this Order, all fees and expenses are, upon entry of this Order and irrespective of any subsequent order approving or denying the Eighth Replacement DIP Facility or any other financing pursuant to section 364 of the Bankruptcy Code, fully entitled to all protections of section 364(e) of the Bankruptcy Code and are deemed fully earned, indefeasibly paid, non-refundable, irrevocable, and non-avoidable as of the date of this Order.

(c) **Binding Effect**. The provisions of this Order shall be binding upon and inure to the benefit of the DIP Lenders, the LP DIP Obligors, and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. DIP Obligors, and their respective successors and assigns (including any trustee or other fiduciary hereinafter appointed as a legal representative of the applicable DIP Obligors or with respect to the property of the estates of the applicable DIP Obligors) whether in the Chapter 11 Cases, in any Successor Cases, or upon dismissal of any such chapter 11 or chapter 7 case.

(d) **No Waiver**. The failure of the DIP Lenders to seek relief or otherwise exercise their rights and remedies under this Order or any other Eighth Replacement DIP Credit Documents or under applicable law or otherwise, as applicable, shall not constitute a waiver of any of the DIP Lenders' rights hereunder, thereunder, or otherwise. Notwithstanding anything herein, the entry of this Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise impair any of the rights, claims, privileges, objections,

defenses, or remedies of the DIP Lenders under the Bankruptcy Code or under non-bankruptcy law against any other person or entity in any court, including without limitation, the rights of the DIP Lenders to (i) request conversion of the Chapter 11 Cases to cases under chapter 7, dismissal of the Chapter 11 Cases, or the appointment of a trustee in the Chapter 11 Cases, (ii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a plan of reorganization, or (iii) to exercise any of the rights, claims, or privileges (whether legal, equitable, or otherwise) on behalf of the DIP Lenders.

(e) **No Third Party Rights**. Except as explicitly provided for herein, this Order does not create any rights for the benefit of any third party, creditor, equity holder or any direct, indirect, third party, or incidental beneficiary.

(f) **No Marshaling**. The DIP Lenders shall not be subject to the equitable doctrine of "marshaling" or any other similar doctrine with respect to any of the DIP Collateral; provided, that prior to the satisfaction of the Inc. DIP Obligors Conditions Precedent and the incurrence of the Tranche B Loans on the Delayed Draw Funding Date, the DIP Lenders, solely in their capacity as such, shall have no claim to, liens on, or rights with respect to, the Inc. DIP Collateral.

(g) **Section 552(b)**. The DIP Lenders shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and the "equities of the case" exception under section 552(b) of the Bankruptcy Code shall not apply to the DIP Lenders or the applicable Prepetition Secured Parties with respect to proceeds, product, offspring, or profits of any of the applicable Prepetition Collateral or the DIP Collateral.

(h) **Credit Bid Rights.** The LP DIP Lenders, during any sale of any of the LP DIP Collateral or Prepetition LP Collateral of any LP DIP Obligor, shall have the right to "credit

bid" the Eighth Replacement DIP Obligations during any sale of any of the LP DIP Collateral or Prepetition LP Collateral of any LP DIP Obligor and, to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the DIP Lenders, during any sale of any of the DIP Collateral or Prepetition Collateral of any DIP Obligor, shall have the right to "credit bid" the Eighth Replacement DIP Obligations during any sale of any of the DIP Collateral or Prepetition Collateral of any DIP Obligor, including, without limitation, in connection with sales occurring pursuant to Bankruptcy Code section 363 or included as part of any chapter 11 plan subject to confirmation under Bankruptcy Code section 1129.

(i) **Amendment**. No provision of the Eighth Replacement DIP Credit Documents may be amended, modified, supplemented, altered, or waived unless such amendment, modification, supplement, alteration, or waiver is in writing signed by the Required Lenders (as defined below) and approved by the Court; provided that, no such amendment, modification, supplement, alteration, or waiver shall: (i) extend or increase the commitment of any DIP Lender without the written consent of such DIP Lender, (ii) postpone any date scheduled for, or reduce the amount of, any payment of principal or interest, without the written consent of each DIP Lender directly and adversely affected thereby, (iii) reduce or forgive the principal of, or the rate of interest specified herein on, any Eighth Replacement DIP Loan, or any fees or other amounts payable hereunder or under any other Eighth Replacement DIP Credit Documents (or extend the timing of payments of such fees or other amounts) without the written consent of each DIP Lender directly and adversely affected thereby; provided that, for the avoidance of doubt, only the consent of the Required Lenders, and approval by the Court, shall be necessary to amend Section 2(b) of Annex A hereto or to waive any obligation of the DIP

Borrowers to pay interest at the rate set forth in such Section, (iv) change any provision of this paragraph 18(i), Section 6 of Annex A hereto, or the definition of "Required Lenders," without the written consent of each DIP Lender directly affected thereby (it being understood that each DIP Lender shall be directly and adversely affected by a change to the "Required Lenders" definition), (v) other than in connection with the indefeasible payment and satisfaction in full, in cash of all Eighth Replacement DIP Obligations, release all or substantially all of the DIP Collateral in any transaction or series of related transactions, without the written consent of each DIP Lender, (vi) other than in connection with the indefeasible payment and satisfaction in full, in cash of all Eighth Replacement DIP Obligations, release all or substantially all of the aggregate value of the guaranties from the DIP Guarantors, without the written consent of each DIP Lender, (vii) change any provision of Sections 5 or 6 of Annex A hereto, without the written consent of each DIP Lender, (viii) amend, modify, or waive any Conditions to Combined Delayed Draw Funding set forth in paragraph 2(c)(ii) with respect to the making of the Delayed Draw Replacement DIP Loans, without the written consent of each DIP Lender with a Delayed Draw Replacement DIP Loan Commitment, and (ix) amend, modify, or waive any Conditions to Reduced Delayed Draw Funding set forth in paragraph 2(c)(ii) with respect to the making of the Delayed Draw Tranche A Loans, without the written consent of each LP DIP Lender with a Delayed Draw Replacement DIP Loan Commitment. As used herein, "Required Lenders" shall mean, as of any date of determination, the DIP Lenders holding (or deemed to hold) more than 66 2/3% of the sum of the (a) aggregate outstanding amount of all Eighth Replacement DIP Loans (after giving effect to any borrowings and prepayments or repayments) and (b) the aggregate unused Delayed Draw Replacement DIP Loan Commitment. Notwithstanding the foregoing, (i) the Inc. DIP Obligors Conditions Precedent, and any reference thereto, shall not be

amended, modified, waived, or deleted without the consent of MAST Capital Management, LLC and the New Investors, (ii) nothing in paragraph 21 shall be amended, modified, waived, or deleted without the consent of the New Investors, and (iii) this sentence shall not be amended, modified, waived, or deleted without the consent of MAST Capital Management, LLC and the New Investors.

(j) **Priority of Terms**. To the extent of any conflict between or among (i) any of the express terms or provisions of the Motion, any order of this Court (other than this Order or the Inc. DIP Order (or, if applicable, an order approving a New Investor New Inc. DIP Facility (as defined in the Plan)) prior to the indefeasible payment in full of all Inc. DIP Loans other than the SIG Inc. DIP Loans), or any other agreements, on the one hand, and (ii) the express terms and provisions of this Order, on the other hand, unless such term or provision herein is phrased in terms of "defined in" or "as set forth in" another order of this Court or agreement, the terms and provisions of this Order shall govern; provided, that subject to the satisfaction of the Inc. DIP Obligors Conditions Precedent and the incurrence of the Tranche B Loans on the Delayed Draw Funding Date, the Inc. DIP Order (or, if applicable, an order approving a New Investor New Inc. DIP Facility (as defined in the Plan)), to the extent applicable, shall control in all respects over the terms of this Order solely with respect to the Inc. DIP Obligors and the Inc. DIP Collateral. For the avoidance of doubt, Annex A hereto shall constitute, and form a part of, this Order.

(k) **Survival of Order**. The provisions of this Order and any actions taken pursuant hereto shall survive entry of any order which may be entered (i) confirming any plan of reorganization in the Chapter 11 Cases of any DIP Obligor, (ii) converting any of the Chapter 11 Cases of any DIP Obligor to a case under chapter 7 of the Bankruptcy Code, (iii) to the extent

authorized by applicable law, dismissing any of the Chapter 11 Cases of any DIP Obligor, (iv) withdrawing of the reference of any of the Chapter 11 Cases of any DIP Obligor from this Court, or (v) providing for abstention from handling or retaining of jurisdiction of any of the Chapter 11 Cases of any DIP Obligor in this Court. The terms and provisions of this Order, including the DIP Liens and DIP Superpriority Claims granted pursuant to this Order, and any protections granted to or for the benefit of the DIP Lenders, shall continue in full force and effect notwithstanding the entry of such order, and such DIP Liens and DIP Superpriority Claims shall maintain their priority as provided by this Order and the other Eighth Replacement DIP Credit Documents until all of the Eighth Replacement DIP Obligations have been indefeasibly paid and satisfied in full, in cash and discharged. Prior to the satisfaction of the Inc. DIP Obligors Conditions Precedent and the incurrence of the Tranche B Loans on the Delayed Draw Funding Date, the provisions of this paragraph shall not be applicable in the Inc. DIP Obligors' Chapter 11 Cases.

(l) **Enforceability**. This Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect and be fully enforceable *nunc pro tunc* to the Petition Date immediately upon execution hereof.

(m) **No Waivers or Modification of Order**. The Debtors irrevocably waive any right to seek any modification or extension of this Order other than as set forth in paragraph 18(i).

(n) **Order Controls.** This Order supersedes the Seventh Replacement LP DIP Order in all respects.

(o) **Waiver of any Applicable Stay**. Any applicable stay (including, without limitation, under Bankruptcy Rule 6004(h)) is hereby waived and shall not apply to this Order.

(p) **Retention of Jurisdiction**. The Court has and will retain jurisdiction to enforce this Order according to its terms.

19. **Inc. DIP Order Remains in Full Force and Effect**. Notwithstanding anything contained herein to the contrary, the Inc. DIP Order (or, if applicable, an order approving a New Investor New Inc. DIP Facility (as defined in the Plan)) shall remain in full force and effect and the rights and obligations provided thereunder shall not otherwise be affected or impaired in any respect by the terms of this Order unless and until the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date.

20. **Survival of the New Investor Commitment Documents**. Nothing in this Order shall be deemed to amend, alter, impair or otherwise affect, in any way, the terms of the New Investor Commitment Documents, and the New Investors acknowledge that, as of the date of entry of this Order, the New Investor Commitment Documents are in full force and effect in all respects.

21. **Consent of the New Investors**. Notwithstanding anything herein to the contrary, the DIP Lenders, the Backstop Parties, and the Debtors acknowledge and agree that (a) the Delayed Draw Funding Date and the incurrence of the Tranche B Loans is subject to, and shall not occur unless and until, the Debtors' receipt of written consent (which the Debtors shall promptly thereafter deliver to the DIP Lenders), from each of the New Investors (as defined in the Plan) (the "New Investor Consent"), which consent has not been given as of the date of entry of this Order, (b) unless the Debtors receive the New Investor Consent, the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. Debtors shall not be obligated or otherwise liable for any of the LP DIP Obligations or any other obligations arising under this Order, nor shall any of the Inc. Debtors'

assets constitute DIP Collateral hereunder or otherwise be security for the repayment of the Eighth Replacement DIP Obligations, and (c) unless the Debtors receive the New Investor Consent, the Inc. DIP Obligors Conditions Precedent are satisfied, and the Tranche B Loans are incurred on the Delayed Draw Funding Date, the Inc. Debtors' rights shall not be prejudiced or otherwise affected by entry of this Order, and no party in interest shall have any rights, remedies, or privileges against the Inc. Debtors as a result of entry of this Order.

Dated: January __, 2015
New York, New York

HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

# ANNEX A

## DIP FACILITY TERMS AND CONDITIONS

This Annex A is the "Annex A" referenced in the Order to which it is attached and shall constitute, and form a part of, the Order.

1. Terms of Borrowing.

(a) Subject to the terms and conditions of this Order, (i) each Initial DIP Lender agrees, severally and not jointly, to make Initial DIP Loans to the LP DIP Borrower on the Initial Borrowing Date, in an aggregate principal amount not to exceed its Relevant Percentage of $285,000,000 and, (ii) (A) each Delayed Draw LP DIP Lender agrees, severally and not jointly, to make Eighth Replacement DIP Loans under Tranche A of the Eighth Replacement DIP Facility to the LP DIP Borrower either (x) upon the satisfaction of all Conditions to Combined Delayed Draw Funding set forth in subparagraph 2(c)(ii) of the Order, in an aggregate principal amount not to exceed its Relevant Percentage of $155,000,000 or (y) upon the satisfaction of the Conditions to Reduced Delayed Draw Funding set forth in subparagraph 2(c)(ii) of the Order, in an aggregate principal amount not to exceed its Relevant Percentage of $30,000,000 (in the case of either clause (x) or clause (y), the "Delayed Draw Tranche A Loans") and (B) each Tranche B Lender agrees, severally and not jointly, to make Eighth Replacement DIP Loans to the Inc. DIP Borrower upon the satisfaction of all Conditions to Combined Delayed Draw Funding set forth in subparagraph 2(c)(ii) of the Order, in an aggregate principal amount not to exceed its Relevant Percentage of $210,000,000 (the "Tranche B Loans" and, Tranche B Loans and the Delayed Draw Tranche A Loans shall individually and collectively be referred to as, the "Delayed Draw Replacement DIP Loans", as the context may require); provided, that, in each case, no DIP Lender shall be responsible for the failure of any other DIP Lender to make any Eighth Replacement DIP Loan required to be made by such other DIP Lender.

(b) Each DIP Lender shall make each Eighth Replacement DIP Loan to be made by it hereunder by wire transfer of immediately available funds to an account directed by the applicable DIP Borrowers in writing; provided, that (i) each Initial DIP Lender may satisfy its obligations to make such Eighth Replacement DIP Loan by (A) funding in cash an amount equal to its Net Funding Amount set forth on Schedule I to this Annex A and (B) converting its Seventh Replacement LP DIP Obligations (including all accrued and unpaid interest) into Initial DIP Loans hereunder and, upon such conversion, the amount of such Seventh Replacement LP DP Obligations shall be deemed exchanged for, and thereafter constitute, Initial DIP Loans hereunder and (ii) (A) each Delayed Draw LP DIP Lender may satisfy its obligations to make such Eighth Replacement DIP Loan by funding in cash an amount equal to its Net Funding Amount set forth on Schedule II to this Annex A and (B) each Tranche B Lender may satisfy its obligations to make such Eighth Replacement DIP Loan by (1) funding in cash an amount equal to its Net Funding Amount set forth on Schedule III to this Annex A and (2) converting its Inc. DIP Loans (including all accrued and unpaid interest) into Tranche

B Loans hereunder and, upon such conversion, the amount of such Inc. DIP Loans shall be deemed exchanged for, and thereafter constitute, Tranche B Loans hereunder on a dollar-for-dollar basis.

(c) Upon the funding of the Delayed Draw Replacement DIP Loans, (i) the aggregate principal amount of the Delayed Draw Tranche A Loans shall be added to, and constitute a part of, the Initial DIP Loans then outstanding and shall be deemed to constitute part of a single tranche ("Tranche A"), and (ii) the aggregate principal amount of the Tranche B Loans shall be deemed to constitute a separate tranche of Eighth Replacement DIP Loans ("Tranche B").

(d) The Eighth Replacement DIP Loans shall be prepayable at any time without make-whole or premium. Amounts paid or prepaid in respect of Eighth Replacement DIP Loans may not be reborrowed.

2. Interest and Fees on Eighth Replacement DIP Loans.

(a) Subject to the provisions of Section 2(b) below and the conditions set forth in subparagraph 2(c)(i) and 2(c)(ii) of the Order, the Eighth Replacement DIP Loans shall bear interest at a rate *per annum* equal to 9.0%, payable in kind (including the increased amount thereof pursuant to this paragraph, the "PIK Interest"), by adding such accrued and unpaid interest to the unpaid principal amount of the Eighth Replacement DIP Loans on a monthly basis (whereupon from and after such date such additional amounts shall also accrue interest pursuant to this Section 2); provided, however, that if the Conditions to Combined Delayed Draw Funding set forth in subparagraph 2(c)(ii) of the Order have not been satisfied prior to or on April 30, 2015, the LP DIP Borrower may elect in writing, which shall be delivered to the DIP Lenders prior to or on April 30, 2015, to increase the *per annum* rate of the PIK Interest applicable to the Initial DIP Loans from 9.0% to 15.0%, and, (i) upon the delivery of such written election to the DIP Lenders, the Final Maturity Date applicable to the Eighth Replacement DIP Facility shall instead be December 30, 2015 and (ii) commencing on May 1, 2015, all Eighth Replacement DIP Loans under any Tranche hereunder shall bear interest at a rate *per annum* equal to 15.0%, payable in kind. All such PIK Interest so added shall be treated as principal of the Eighth Replacement DIP Loans for all purposes of this Order. The obligation of the DIP Borrowers to pay all such PIK Interest so added shall be automatically evidenced by this Order, and, if applicable, any applicable Eighth Replacement Notes.

(b) Default Rate. Notwithstanding the foregoing, after the Final Maturity Date, the Eighth Replacement DIP Obligations shall, to the extent permitted by applicable law, bear interest, after as well as before judgment, at a rate per annum equal to 2% *plus* the rate otherwise applicable to the Eighth Replacement DIP Loans as provided in Section 2(a).

(c) Interest Payment Dates. Accrued interest on each Eighth Replacement DIP Loan shall be payable (x) in kind on a monthly basis as set forth above in Section 2(a) and (y) in cash on the Final Maturity Date for such Eighth Replacement DIP Loan; provided, that (i) interest accrued pursuant to Section 2(b) shall be payable in cash on

demand and (ii) in the event of any repayment or prepayment of any Eighth Replacement DIP Loan, accrued interest on the principal amount repaid or prepaid shall be payable in cash on the date of such repayment or prepayment.

(d) Interest Calculation. All interest hereunder shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(e) *Interest Act* (Canada). For the purposes of the *Interest Act* (Canada) and disclosure thereunder, in any case in which an interest or fee rate is stated in this Order to be calculated on the basis of a number of days that is other than the number in a calendar year, the yearly rate to which such interest or fee rate is equivalent is equal to such interest or fee rate multiplied by the actual number of days in the year in which the relevant interest or fee payment accrues and divided by the number of days used as the basis for such calculation.

(f) No Criminal Rate of Interest. If any provision of this Order would oblige a Canadian DIP Obligor to make any payment of interest or other amount payable to any DIP Lender in an amount or calculated at a rate which would be prohibited by any applicable law or would result in a receipt by that DIP Lender of "interest" at a "criminal rate" (as such terms are construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by applicable law or so result in a receipt by that DIP Lender of "interest" at a "criminal rate," such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

i. first, by reducing the amount or rate of interest required to be paid to the affected DIP Lender; and

ii. thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the affected DIP Lender which would constitute interest for purposes of section 347 of the *Criminal Code* (Canada).

(g) Commitment Fee. A non-refundable commitment fee equal to 0.625% of the aggregate principal amount of each applicable DIP Lender's Delayed Draw Replacement DIP Loan Commitment (the "Commitment Fee"), in each case as set forth on Schedule IV to this Annex A, shall be earned by the applicable DIP Lenders and payable by the LP DIP Borrower on the Initial Borrowing Date in the form of additional Eighth Replacement DIP Loans, which shall be added to each applicable DIP Lender's outstanding principal amount of Eighth Replacement Note on the Initial Borrowing Date.

3. Mandatory Commitment Reduction.

If the Delayed Draw Funding Date has not occurred on or prior to April 30, 2015, the Delayed Draw Replacement DIP Loan Commitment of each Delayed Draw LP DIP Lender shall terminate in its entirety and be of no further force and effect.

If solely the Conditions to Reduced Delayed Draw Funding have been satisfied on or prior to April 30, 2015, immediately prior to giving effect to the Delayed Draw Funding Date, the Delayed Draw Replacement DIP Loan Commitment shall be reduced to an aggregate principal amount equal to $30,000,000 and such reduction shall be applied to proportionately reduce or terminate, as the case may be, the Delayed Draw Replacement DIP Loan Commitment of each Delayed Draw LP DIP Lender.

The Delayed Draw Replacement DIP Loan Commitment of each DIP Lender shall terminate in its entirety and be reduced to $0 on the Delayed Draw Funding Date (after giving effect to the incurrence of Delayed Draw Replacement DIP Loans on such date).

4. Final Maturity Date.

Subject to subparagraph 2(a) of the Order, the Final Maturity Date shall be December 30, 2015.

On the Final Maturity Date, if the Eighth Replacement DIP Obligations have not been indefeasibly paid in full, in cash (or otherwise satisfied in the manner set forth in the Plan), the full principal amount of the Eighth Replacement DIP Loans, together with accrued interest thereon and any unpaid accrued fees and all other Eighth Replacement DIP Obligations of DIP Obligors accrued hereunder and under any other Eighth Replacement DIP Credit Document, shall become forthwith due and payable, without presentment, demand, protest, or any other notice of any kind, all of which are hereby expressly waived by the applicable DIP Obligors, anything contained herein or in any other Eighth Replacement DIP Credit Document to the contrary notwithstanding. In addition, the automatic stay provided in section 362 of the Bankruptcy Code in connection with the Eighth Replacement DIP Facility shall be deemed automatically vacated without further action or order of the Court, and the DIP Lenders, shall be entitled, in their sole discretion, to enforce and exercise all of their respective rights and remedies under this Order and the other Eighth Replacement DIP Credit Documents (which, for the avoidance of doubt, shall be consistent with and incorporate, *mutatis mutandis* to make applicable to the DIP Lenders, the remedies available to the Prepetition LP Secured Parties under the Prepetition LP Credit Documents).

5. Payment and Application of Proceeds.

Each payment from or on behalf of the DIP Borrowers in respect of any Eighth Replacement DIP Obligations hereunder, shall be applied to each DIP Lender entitled thereto pro rata based upon their respective shares, if any, of the Eighth Replacement DIP Obligations with respect to which such payment was received.

The proceeds received by the DIP Lenders in respect of any sale of, collection from, or other realization upon all or any part of the DIP Collateral (which shall only include Inc. DIP Collateral to the extent that the Inc. DIP Obligors Conditions Precedent are satisfied and the Tranche B Loans are incurred on the Delayed Draw Funding Date) pursuant to the exercise by such DIP Lenders of their remedies in accordance with this Order shall be applied, in full or in part, promptly by such DIP Lenders as follows:

(a) First, to the payment of that portion of the Eighth Replacement DIP Obligations constituting fees, indemnities, costs, expenses (other than principal and interest but including the fees, costs, and disbursements of counsel) payable to the DIP Lenders under this Order (including the DIP Obligor Guaranty), ratably among them in proportion to the amounts described in this clause (a) payable to them;

(b) Second, without duplication of amounts applied pursuant to clause (a) above, to the indefeasible payment in full, in cash of that portion of the Eighth Replacement DIP Obligations constituting accrued and unpaid interest (excluding, for the avoidance of doubt, any PIK Interest that has already been added to the unpaid principal amount of the Eighth Replacement DIP Loans) on the Eighth Replacement DIP Loans, ratably among the DIP Lenders in proportion to the amounts described in this clause (b) payable to them;

(c) Third, to the indefeasible payment in full, in cash of that portion of the Eighth Replacement DIP Obligations constituting unpaid principal (including all PIK Interest that has been added thereto) of the Eighth Replacement DIP Loans, ratably among the DIP Lenders in proportion to the amounts described in this clause (c) payable to them;

(d) Fourth, to the indefeasible payment in full, in cash of all other Eighth Replacement DIP Obligations that are due and payable to the DIP Lenders, ratably based upon the respective aggregate amounts of all such Eighth Replacement DIP Obligations owing to the DIP Lenders on such date; and

(e) Fifth, the balance, if any, after all of the Eighth Replacement DIP Obligations then due and payable have been indefeasibly paid in full, in cash to the person lawfully entitled thereto (including the applicable DIP Obligor or its successors or assigns) or as a court of competent jurisdiction may direct.

In the event that any such proceeds are insufficient to pay in full the items described in clauses (a) through (d) of this Section 5, the applicable DIP Obligors shall remain liable, jointly and severally, for any deficiency.

6. Amendments.

The Annexes to this Order and any other Eighth Replacement DIP Credit Documents (including this Order) may not be amended, modified, supplemented, altered, or waived unless such amendment, modification, supplement, alteration, or waiver is in writing signed by the Required Lenders and approved by the Court; provided that, no such amendment, modification,

supplement, alteration, or waiver shall: (i) extend or increase the commitment of any DIP Lender without the written consent of such DIP Lender, (ii) postpone any date scheduled for, or reduce the amount of, any payment of principal or interest, without the written consent of each DIP Lender directly and adversely affected thereby, (iii) reduce or forgive the principal of, or the rate of interest specified herein on, any Eighth Replacement DIP Loan, or any fees or other amounts payable hereunder or under any other Eighth Replacement DIP Credit Documents (or extend the timing of payments of such fees or other amounts) without the written consent of each DIP Lender directly and adversely affected thereby; provided that, for the avoidance of doubt, only the consent of the Required Lenders, and approval by the Court, shall be necessary to amend Section 2(b) or to waive any obligation of the DIP Borrowers to pay interest at the rate set forth in Section 2(b), (iv) change any provision of this Section 6, paragraph 18(i) of the Order or the definition of "Required Lenders," without the written consent of each DIP Lender directly affected thereby (it being understood that each DIP Lender shall be directly and adversely affected by a change to the "Required Lenders" definition), (v) other than in connection with the indefeasible payment and satisfaction in full, in cash of all Eighth Replacement DIP Obligations, release all or substantially all of the DIP Collateral in any transaction or series of related transactions, without the written consent of each DIP Lender, (vi) other than in connection with the indefeasible payment and satisfaction in full, in cash of all Eighth Replacement DIP Obligations, release all or substantially all of the aggregate value of the guaranties from the DIP Guarantors, without the written consent of each DIP Lender, (vii) change any provision of Section 5, without the written consent of each DIP Lender, (viii) amend, modify, or waive any Conditions to Combined Delayed Draw Funding set forth in paragraph 2(c)(ii) of the Order with respect to the making of the Delayed Draw Replacement DIP Loans, without the written consent of each DIP Lender with a Delayed Draw Replacement DIP Loan Commitment and (ix) amend, modify, or waive any Conditions to Reduced Delayed Draw Funding set forth in paragraph 2(c)(ii) of the Order with respect to the making of the Delayed Draw Tranche A Loans, without the written consent of each LP DIP Lender with a Delayed Draw Replacement DIP Loan Commitment. Notwithstanding the foregoing, (i) the Inc. DIP Obligors Conditions Precedent, and any reference thereto, shall not be amended, modified, waived, or deleted without the consent of MAST Capital Management, LLC and the New Investors, (ii) nothing in paragraph 21 shall be amended, modified, waived, or deleted without the consent of the New Investors, and (iii) this sentence shall not be amended, modified, waived, or deleted without the consent of MAST Capital Management, LLC and the New Investors.

7. Assignments.

No DIP Lender may assign or otherwise transfer any of its rights or obligations hereunder except to an Eligible Assignee; provided that, such assignment of any DIP Lender's rights and obligations hereunder shall not be effective until the date on which (a) the applicable DIP Borrower has received written notice of such assignment, together with such information with respect to the identity of such assignee as may be reasonably requested in order to confirm that such assignee is not an Ineligible Person and (b) the applicable DIP Borrower has recorded such permitted assignment to such Eligible Assignee in their records (such date, the "Effective Date"); provided, further, that the applicable DIP Borrower shall, within two business days after delivery of the notice of such assignment in accordance with the notice provisions set forth in clause (a) above, record any assignment complying with the requirements of this Order and advise the

assignor and assignee of the Effective Date; provided that, to the extent any such assignment to an Eligible Assignee has not be recorded by the second business day after receipt of such notice such assignment shall be deemed effective. In connection with any such assignment, the Borrower is authorized to cancel and reissue any Eighth Replacement Note to reflect such assignment.

Notwithstanding the foregoing, any DIP Lender may at any time, without the consent of, or notice to, the DIP Borrowers or any other DIP Lender, sell participations to any person (other than an Ineligible Person or an Affiliate (as such term is defined in the Prepetition LP Credit Agreement) thereof that is not a financial institution, private equity firm, bona fide debt fund, or hedge fund) (each, a "Participant") in all or a portion of such DIP Lender's rights and/or obligations under this Order (including all or a portion of the Eighth Replacement DIP Loans owing to it); provided, that (a) such DIP Lender's obligations under this Order shall remain unchanged, (b) such DIP Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (c) the DIP Borrowers and the other DIP Lenders shall continue to deal solely and directly with such DIP Lender in connection with such DIP Lender's rights and obligations under this Order. Any agreement or instrument pursuant to which an DIP Lender sells such a participation shall provide that the relevant participant shall not be permitted to sell sub-participations to any natural person, the DIP Borrowers or any of its Affiliates or any Disqualified Company or an Affiliate thereof that is not a financial institution, private equity firm, bona fide debt fund, or hedge fund.

8. Integration.

This Order, the other Eighth Replacement DIP Credit Documents, and the Final Cash Collateral Order constitute the entire contract among the DIP Obligors and the DIP Lenders relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof, other than the Inc. DIP Order, to the extent applicable, which shall continue to control over this Order solely with respect to the Inc. DIP Obligors and the Inc. DIP Collateral, the other Eighth Replacement DIP Credit Documents, and the Final Cash Collateral Order until the satisfaction of the Inc. DIP Obligors Conditions Precedent and the incurrence of the Tranche B Loans on the Delayed Draw Funding Date.

9. Governing Law; Jurisdiction; Venue.

(a) Governing Law. This Order and each other Eighth Replacement DIP Credit Document, and the transactions contemplated hereby and thereby, and all disputes between the DIP Obligors and the DIP Lenders under or relating to this Order or any other Eighth Replacement DIP Credit Document or the facts or circumstances leading to its or their execution, whether in contract, tort or otherwise, shall be construed in accordance with, and governed by, the laws (including statutes of limitation) of the State of New York (and, to the extent applicable, the Bankruptcy Code).

(b) Submission to Jurisdiction. Each DIP Obligor hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Court, or to the extent that the Court does not have or does not exercise jurisdiction, the

Supreme Court of the State of New York sitting in New York County and the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Eighth Replacement DIP Credit Document, or for recognition or enforcement of any judgment, and each of the DIP Obligors and DIP Lenders hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such Federal court. Each of the DIP Obligors and DIP Lenders agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Order or any other Eighth Replacement DIP Credit Document shall affect any right that any DIP Lender may otherwise have to bring any action or proceeding relating to this Order or any other Eighth Replacement DIP Credit Document against any DIP Obligor or its properties in the courts of any jurisdiction.

(c) Venue. Subject to the jurisdiction of the Court, each DIP Obligor hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable requirements of law, any objection which it may now or hereafter have to the laying of venue of any suit, action, or proceeding arising out of or relating to this Order or any other Eighth Replacement DIP Credit Document in any court referred to in Section 9(b). Each of the DIP Obligors and DIP Lenders hereby irrevocably waives, to the fullest extent permitted by applicable requirements of law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

10. Waiver of Jury Trial.

Each DIP Obligor hereby waives, to the fullest extent permitted by applicable requirements of law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Order, any other Eighth Replacement DIP Credit Document, or the transactions contemplated hereby (whether based on contract, tort, or any other theory). Each DIP Obligor and DIP Lender (a) certifies that no representative, agent, or attorney of any other such person has represented, expressly or otherwise, that such other person would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and all other such persons have been induced to become bound by this Order and the other Eighth Replacement DIP Credit Documents by, among other things, the mutual waivers and certifications in this Section.

11. Interest Rate Limitation.

Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Eighth Replacement DIP Loan, together with all fees, charges, and other amounts which are treated as interest on such Eighth Replacement DIP Loan under applicable requirements of law (collectively, the "Charges"), shall exceed the maximum lawful rate (the "Maximum Rate") which may be contracted for, charged, taken, received, or reserved by the DIP Lender holding such Eighth Replacement DIP Loan in accordance with applicable requirements of law, the rate of interest payable in respect of such Eighth Replacement DIP Loan hereunder, together with all

Charges payable in respect thereof, shall be limited to the Maximum Rate, and, to the extent lawful, the interest and Charges that would have been payable in respect of such Eighth Replacement DIP Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such DIP Lender in respect of other Eighth Replacement DIP Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System of the United States arranged by federal funds brokers to the date of repayment, shall have been received by such DIP Lender.

12. Currency Due.

If, for the purpose of obtaining a judgment in any court in any jurisdiction, it is necessary to convert a sum due under this Order or any other Eighth Replacement DIP Credit Document in one currency into another currency, then such amount shall be converted using the rate of exchange in effect on the Business Day immediately preceding that on which final judgment is given. The obligation of the DIP Borrowers in respect of any amount due from the DIP Lenders under this Order or any other Eighth Replacement DIP Credit Document shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such amount is denominated in accordance with the applicable provisions of this Order (the "Order Currency"), be discharged only to the extent that on the Business Day following receipt by the DIP Lenders of any amount adjudged to be so due in the Judgment Currency, the DIP Lenders may purchase the Order Currency with the Judgment Currency. If the amount of the Order Currency so purchased is less than the amount originally due to the DIP Lenders from the DIP Borrowers on the Order Currency, the DIP Borrowers agree, as a separate obligation and notwithstanding any such judgment, to indemnify the DIP Lenders against such deficiency. For this purpose "rate of exchange" means the rate published by the Wall Street Journal on the date of such conversion or, if no such rate is published in the Wall Street Journal on such day as the Wall Street Journal ceases to publish such rate for any reason, then the "rate of exchange" shall mean the rate quoted by the Reuters World Company Page at 11:00 a.m. (New York time) on such day or, in the event such rate does not appear on any Reuters World Currency Page on such day, by reference to the rate published by Bloomberg foreign exchange and world currencies page on the date of such conversion.

13. Additional Defined Terms.

"Business Day" shall mean any day other than a Saturday, Sunday, or other day on which banks in New York City are authorized or required by law to close.

"Delayed Draw Funding Date" shall mean the first date on or before April 30, 2015 that either (x) all of the Conditions to Combined Delayed Draw Funding set forth in subparagraph 2(c)(ii) of this Order are satisfied or waived and the Delayed Draw Replacement DIP Loans (including, for the avoidance of doubt, the Tranche B Loans) are made and/or converted in accordance with this Order (including, for the avoidance of doubt, this Annex A) and which date shall be the same date as the Inc. Facilities Claims Purchase Closing Date (as defined in the Plan) or (y) solely to the extent the Conditions to Reduced Delayed Draw Funding set forth in subparagraph 2(c)(ii) of this Order are satisfied (and for the avoidance of doubt, the Conditions to Combined

Delayed Draw Funding are not satisfied) and the Delayed Draw Tranche A Loans are made in accordance with this Order (including, for the avoidance of doubt, this Annex A). For the avoidance of doubt, the Delayed Draw Funding Date as defined in subsection (x) above shall be deemed to occur only if, contemporaneously therewith, the following occur (collectively, the "Inc. DIP Obligors Conditions Precedent"): (i) the indefeasible repayment in full, in cash of all Inc. DIP Loans (as defined herein), other than the SIG Inc. DIP Loans (as defined herein) (which shall be converted on a dollar-for-dollar basis into, and be deemed, Tranche B Loans), (ii) the consummation of the transactions contemplated by the JPM Inc. Facilities Claims Purchase Agreement (as defined herein), pursuant to which, among other things SIG shall, subject to the terms and conditions thereof, purchase from MAST the Inc. Facility Non-Subordinated Claims and $41,000,000 of DIP Inc. Claims (each as defined in the Plan), (iii) the payment of all accrued and unpaid DIP Inc. Fee Claims and Prepetition Inc. Fee Claims (each as defined in the Plan) (including, if necessary, estimates of such DIP Inc. Fee Claims and Prepetition Inc. Fee Claims through and including the Delayed Draw Funding Date), and (iv) the Debtors receive the New Investor Consent.

"Delayed Draw Replacement DIP Loan Commitment" shall mean the commitment of each DIP Lender set forth opposite its name on Schedule IV hereto.

"Eighth Replacement Notes" shall mean any promissory note(s) evidencing the Eighth Replacement DIP Loans in the form set forth in Annex C or D hereto, as applicable.

"Eligible Assignee" shall mean, any DIP Lender, any Affiliate of any DIP Lender and any commercial bank, insurance company, investment or mutual fund, or other entity that is an "accredited investor" (as defined in Regulation D of Securities Act) and which regularly engages in making, purchasing, or investing in loans, securities, or other financial assets, in each case, that is not an Ineligible Person.

"Ineligible Person" shall mean any of the following: (i) any natural person, (ii) any DIP Borrower or any of Affiliate of any DIP Borrower, (iii) any Disqualified Company (as such term is defined in the Prepetition LP Credit Agreement) or any Affiliate of any Disqualified Company, or (iv) any Prohibited Transferee (as defined in the Plan).

"Net Funding Amount" shall mean, as to any DIP Lender, (i) with respect to the Initial DIP Loans, the dollar amount set forth opposite such DIP Lender's name (in the column entitled "Net Funding Amount") in the table set forth in Schedule I to this Annex A and (ii) (x) with respect to the Tranche B Loans, the dollar amount set forth opposite such Tranche B Lender's name (in the column entitled "Net Funding Amount") in the table set forth in Schedule III to this Annex A and (y) with respect to the Delayed Draw Tranche A Loans the dollar amount set forth opposite such LP DIP Lender's name (in the column entitled "Net Funding Amount") in the table set forth in Schedule II to this Annex A.

"Prepetition LP Collateral" shall mean (a) substantially all of the assets of LightSquared LP and the Prepetition LP Subsidiary Guarantors, (b) the equity interests of LightSquared LP and the Prepetition LP Parent Guarantors (except LightSquared Inc.), (c) certain equity interests owned by the Pledgors (as defined in the applicable Security Document (as defined in the Prepetition LP Credit Agreement)), (d) the Intercompany Notes (as defined in the applicable Security Document

(as defined in the Prepetition LP Credit Agreement)) and (e) the rights of LightSquared Inc. under and arising out of the Inmarsat Cooperation Agreement, by and between LightSquared LP, SkyTerra (Canada) Inc., LightSquared Inc., and Inmarsat Global Limited. For the avoidance of doubt, the Prepetition LP Collateral includes any proceeds, substitutions or replacements of any of the forgoing (unless such proceeds, substitutions or replacements would constitute Excluded Property (as defined in Prepetition LP Credit Documents)). The Prepetition LP Collateral does not include the following: (i) any permit or license issued by a Governmental Authority (as defined in the Prepetition LP Credit Agreement) or other agreement to the extent and for so long as the terms thereof validly prohibit the creation by the pledgor thereof of a security interest in such permit, license, or other agreement; (ii) property subject to any Purchase Money Obligation, Vendor Financing Indebtedness, or Capital Lease Obligations (in each case, as such term is defined in the Prepetition LP Credit Agreement) if the contract or other agreement in which such lien is granted validly prohibits the creation of any other lien on such property; (iii) the SkyTerra-2 satellite, while title remains with BSSI, and those ground segment assets related to the SkyTerra-2 satellite, while title remains with BSSI; (iv) any intent-to-use trademark application to the extent and for so long as a security interest therein would result in the loss by the pledgor thereof of any material rights therein; (v) certain deposit and securities accounts securing currency hedging or credit card vendor programs or letters of credit provided to vendors in the ordinary course of business; (vi) equity interests in (x) excess of 66% in non-U.S. subsidiaries (other than the Canadian Subsidiaries (as defined in the Prepetition LP Credit Agreement)) held by a US subsidiary, (y) LightSquared Network LLC, and (z) any joint venture or similar entity to the extent and for so long as the terms of such investment restrict such security interest; and (vii) any consumer goods subject to the Canadian Security Agreement (as defined in the Prepetition LP Credit Agreement).

"Relevant Percentage" shall mean, as to any DIP Lender, the percentage set forth opposite such DIP Lender's name (in the column entitled "Relevant Percentage") in the table set forth in Schedule I, Schedule II and Schedule III to this Annex A.

"Tranche" shall mean, with respect to the Eighth Replacement DIP Loans, whether such Eighth Replacement DIP Loans are Tranche A Loans or Tranche B Loans.

## SCHEDULE I TO ANNEX A

Initial DIP Loan Allocation Schedule[1]

| Name of DIP Lender | Relevant Percentage | Initial Principal Outstanding Under Seventh Replacement LP DIP Facility | Accrued Interest Under Seventh Replacement LP DIP Facility as of 1/30/2015 | Initial DIP Loan Amount | Net Funding Amount |
|---|---|---|---|---|---|
| SPSO | – | 87,637,750.17 | 2,727,839.66 | $0.00 | ($90,365,589.82) |
| Capital Research | 30.4% | 32,209,738.88 | 1,002,570.27 | 86,576,354.68 | 53,364,045.53 |
| Fortress Credit Co LLC | 13.1% | 18,606,057.21 | 579,137.88 | 37,438,423.65 | 18,253,228.55 |
| Cyrus Capital Partners, L.P. | 25.7% | 13,080,724.36 | 407,154.66 | 73,304,760.10 | 59,816,881.07 |
| CM Finance SPV Ltd. | 1.6% | – | – | 4,679,802.96 | 4,679,802.96 |
| SOLA LTD | 21.8% | 6,305,632.71 | 196,271.07 | 62,007,389.16 | 55,505,485.38 |
| KKR Echo Investments I Limited | – | 276,060.21 | 8,592.74 | – | (284,652.94) |
| KKR Credit Relative Value Mast Fund LP | – | 230,050.17 | 7,160.61 | – | (237,210.79) |
| ULTRA MASTER LTD | 3.3% | 1,190,933.26 | 37,069.36 | 9,359,605.91 | 8,131,603.29 |
| Solus Sr. High Income Fund LP | 1.2% | 355,865.55 | 11,076.78 | 3,509,852.22 | 3,142,909.89 |
| Fernwood Associates LLC (Intermarket) | 1.4% | 1,017,525.37 | 31,671.81 | 4,061,905.67 | 3,012,708.49 |
| Fernwood Restructurings Ltd. (Intermarket) | 1.4% | 1,017,525.37 | 31,671.81 | 4,061,905.67 | 3,012,708.49 |
| Aurelius Capital Master, Ltd. | – | 1,337,146.68 | 41,620.44 | – | (1,378,767.12) |
| ACP Master, Ltd. | – | 926,856.61 | 28,849.62 | – | (955,706.23) |
| Aurelius Convergence Master, Ltd. | – | 330,908.26 | 10,299.95 | – | (341,208.21) |
| JPM | | | | | |
| Total | 100.0% | 164,522,774.80 | 5,120,986.66 | $285,000,000.00 | $115,356,238.54 |

[1] Exclusive of Commitment Fee.

## SCHEDULE II TO ANNEX A

Delayed Draw Replacement DIP Loan Allocation Schedule

Delayed Draw Tranche A DIP Loans[1]

| Name of DIP Lender | Relevant Percentage | Initial Principal Outstanding Under Eighth Replacement DIP Facility[1] | Accrued Interest Under Eighth Replacement DIP Facility as of 4/30/2015[1] | Tranche A DIP Amount | Net Funding Amount |
|---|---|---|---|---|---|
| Capital Research | 30.4% | 86,576,354.68 | 1,962,592.46 | 135,624,333.02 | 47,085,385.88 |
| Fortress Credit Co LLC | 13.1% | 37,438,423.65 | 848,688.63 | 58,648,360.22 | 20,361,247.95 |
| Cyrus Capital Partners, L.P. | 25.7% | 73,304,760.10 | 1,661,739.74 | 114,834,000.94 | 39,867,501.11 |
| CM Finance SPV Ltd. | 1.6% | 4,679,802.96 | 106,086.08 | 7,331,045.03 | 2,545,155.99 |
| SOLA LTD | 21.8% | 62,007,389.16 | 1,405,640.54 | 97,136,346.62 | 33,723,316.91 |
| ULTRA MASTER LTD | 3.3% | 9,359,605.91 | 212,172.16 | 14,662,090.06 | 5,090,311.99 |
| Solus Sr. High Income Fund LP | 1.2% | 3,509,852.22 | 79,564.56 | 5,498,283.77 | 1,908,867.00 |
| Fernwood Associates LLC (Intermarket) | 1.4% | 4,061,905.67 | 92,079.01 | 6,363,091.27 | 2,209,106.59 |
| Fernwood Restructurings Ltd. (Intermarket) | 1.4% | 4,061,905.67 | 92,079.01 | 6,363,091.27 | 2,209,106.59 |
| **Total** | 100.0% | 285,000,000.00 | 6,460,642.20 | $446,460,642.20 | $155,000,000.00 |

[1] Exclusive of Commitment Fee.

## SCHEDULE III TO ANNEX A

Delayed Draw Replacement DIP Loan Allocation Schedule

Tranche B Loans

| Name of DIP Lender | Relevant Percentage | Tranche B Loan Amount | Net Funding Amount |
|---|---|---|---|
| Capital Research | 24.4% | 51,338,259.44 | 51,338,259.44 |
| Fortress Credit Co LLC | 10.6% | 22,200,328.41 | 22,200,328.41 |
| Cyrus Capital Partners, L.P. | 20.7% | 43,468,436.69 | 43,468,436.69 |
| CM Finance SPV Ltd. | 1.3% | 2,775,041.05 | 2,775,041.05 |
| SOLA LTD | 17.5% | 36,769,293.92 | 36,769,293.92 |
| ULTRA MASTER LTD | 2.6% | 5,550,082.10 | 5,550,082.10 |
| Solus Sr. High Income Fund LP | 1.0% | 2,081,280.79 | 2,081,280.79 |
| Fernwood Associates LLC (Intermarket) | 1.1% | 2,408,638.80 | 2,408,638.80 |
| Fernwood Restructurings Ltd. (Intermarket) | 1.1% | 2,408,638.80 | 2,408,638.80 |
| JPM | 19.5% | 41,000,000.00 | 41,000,000.00 |
| Total | 100.0% | $210,000,000.00 | $210,000,000.00 |

## SCHEDULE IV TO ANNEX A

Delayed Draw Replacement DIP Loan Commitment

| Institution | Amount | Percentage | Applicable Commitment Fee |
|---|---|---|---|
| Capital Research | 98,423,645.32 | 27.0% | 615,147.78 |
| Fortress Credit Co LLC | 42,561,576.35 | 11.7% | 266,009.85 |
| Cyrus Capital Partners, L.P. | 83,335,937.79 | 22.8% | 520,849.61 |
| CM Finance SPV Ltd. | 5,320,197.04 | 1.5% | 33,251.23 |
| SOLA LTD | 70,492,610.84 | 19.3% | 440,578.82 |
| ULTRA MASTER LTD | 10,640,394.09 | 2.9% | 66,502.46 |
| Solus Sr. High Income Fund LP | 3,990,147.78 | 1.1% | 24,938.42 |
| Fernwood Associates LLC (Intermarket) | 4,617,745.39 | 1.3% | 28,860.91 |
| Fernwood Restructurings Ltd. (Intermarket) | 4,617,745.39 | 1.3% | 28,860.91 |
| JPM | 41,000,000.00 | 11.2% | – |
| Total | $365,000,000.00 | 100.0% | $2,025,000.00 |

**ANNEX B**

EIGHTH REPLACEMENT DIP BUDGET

Dollars in thousands

| Quarter | 1Q15 | | 2Q15 | | | 3Q15 | | | 4Q15 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Month | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 |
| **Beginning Cash Balance** | **13,892** | **88,703** | **70,488** | **8,524** | **129,579** | **113,864** | **104,172** | **77,365** | **64,634** | **52,386** | **24,349** |
| Sources | | | | | | | | | | | |
| Satellite Revenue | 1,308 | 1,236 | 1,285 | 1,272 | 1,223 | 1,348 | 1,484 | 1,271 | 1,267 | 1,341 | 1,207 |
| Interest Income | 0 | 1 | 2 | 1 | 2 | 3 | 3 | 2 | 2 | 1 | 1 |
| Equity Financing | - | - | - | - | - | - | - | - | - | - | - |
| Net Debt Financing | 115,000 | - | - | 155,000 | - | - | - | - | - | - | - |
| Financing Fees | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - |
| **Total Sources** | **116,309** | **1,237** | **1,287** | **156,273** | **1,225** | **1,351** | **1,487** | **1,274** | **1,269** | **1,342** | **1,208** |
| In-Orbit Insurance | - | - | - | - | - | - | - | - | - | 2,056 | - |
| ISAT Coop Agmt | 17,500 | - | - | 17,500 | - | - | 17,875 | - | - | 17,875 | - |
| Spectrum (NOAA) | - | - | - | - | - | - | - | - | - | - | - |
| Staffing Related (entire company) | 6,038 | 1,867 | 2,271 | 2,939 | 1,837 | 2,227 | 1,815 | 2,208 | 1,802 | 1,802 | 2,280 |
| Legal / Regulatory / Lobbying / International | 1,105 | 978 | 870 | 870 | 1,458 | 934 | 937 | 1,255 | 1,512 | 934 | 946 |
| Facilities/Telecom | 671 | 671 | 671 | 671 | 671 | 671 | 671 | 671 | 671 | 671 | 671 |
| G&A | 1,798 | 456 | 336 | 4,267 | 1,336 | 1,336 | 1,336 | 1,336 | 1,471 | 336 | 446 |
| Travel Expenses (entire company) | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Boeing Related Expenses | 212 | 212 | 637 | 212 | 232 | 676 | 239 | 239 | 676 | 239 | 239 |
| Other Items | 793 | 671 | 1,370 | 1,567 | 784 | 656 | 878 | 1,010 | 1,014 | 924 | 743 |
| **Subtotal - USES (OPEX)** | **28,167** | **4,905** | **6,204** | **28,077** | **6,368** | **6,550** | **23,801** | **6,768** | **7,195** | **24,886** | **5,375** |
| Boeing | - | 2,560 | 1,400 | - | 2,606 | - | - | 2,653 | - | - | 2,700 |
| Qualcomm | - | - | - | - | - | - | - | - | - | - | - |
| Alcatel Lucent S-BTS | - | - | - | - | - | - | - | - | - | - | - |
| Current Network Maintenance / Capex | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 |
| **Subtotal - USES (CAPEX)** | **150** | **2,710** | **1,550** | **150** | **2,756** | **150** | **150** | **2,803** | **150** | **150** | **2,850** |
| Cash Interest | - | - | | | | | | | | | |
| Restructuring Professionals | 6,930 | 5,587 | 5,497 | 6,990 | 7,815 | 4,344 | 4,344 | 4,434 | 6,171 | 4,344 | 4,434 |
| LP Adequate Protection Payments | 6,250 | 6,250 | 6,250 | - | - | - | - | - | - | - | - |
| LP Adequate Protection Payments Catch-up | - | - | 43,750 | - | - | - | - | - | - | - | - |
| **Total Uses** | **41,497** | **19,452** | **63,251** | **35,218** | **16,939** | **11,043** | **28,294** | **14,004** | **13,516** | **29,380** | **12,659** |
| **Net Uses (Total Sources - Total Uses)** | **74,812** | **(18,215)** | **(61,964)** | **121,055** | **(15,715)** | **(9,692)** | **(26,808)** | **(12,731)** | **(12,247)** | **(28,037)** | **(11,451)** |
| **LP Group Ending Cash Balance (excl. Cash at TMI)** | **88,703** | **70,488** | **8,524** | **129,579** | **113,864** | **104,172** | **77,365** | **64,634** | **52,386** | **24,349** | **12,898** |

Note: Does not include any costs associated with NOAA spectrum; does not include any amounts for employee retention
(1) . Forecast does not capture fees that could potentially be incurred in connection with the Working Capital Facility .
(2) Includes unapproved KEIP payment

# LightSquared Inc Group DIP Budget through December 2015 (1)

Dollars in thousands

| | Quarter | 2Q15 | | 3Q15 | | | 4Q15 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Month | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 |
| | Beginning Cash Balance | 1,926 | 34,425 | 28,203 | 23,457 | 19,085 | 16,725 | 6,742 | 4,588 |
| | Sources | | | | | | | | |
| | Satellite Revenue | - | - | - | - | - | - | - | - |
| | Interest Income | 0 | 0 | 1 | 1 | 1 | 0 | 0 | 0 |
| | Equity Financing | - | - | - | - | - | - | - | - |
| | Net Debt Financing | 39,000 | - | - | - | - | - | - | - |
| | Financing Fees | - | - | - | - | - | - | - | - |
| | Other | - | - | - | - | - | - | - | - |
| | Total Sources | 39,000 | 0 | 1 | 1 | 1 | 0 | 0 | 0 |
| Uses (OPEX) | In-Orbit / Launch Insurance | - | - | - | - | - | - | - | - |
| | ISAT Coop Agmt | - | - | - | - | - | - | - | - |
| | 1.6 GHz Spectrum Lease Payments | - | - | - | - | - | 7,150 | - | - |
| | 1.6 GHz Related Payments | 180 | 75 | 361 | 75 | 75 | 361 | 75 | 75 |
| | 1.6 GHz Additional OpEx for 50% Build | 556 | 556 | 826 | 826 | 826 | 810 | 837 | 837 |
| | Spectrum (NOAA) | - | - | - | - | - | - | - | - |
| | Staffing Related (entire company) | - | - | - | - | - | - | - | - |
| | Legal / Regulatory / Lobbying / International | 64 | 129 | 64 | 64 | 64 | 129 | 64 | 64 |
| | Facilities/Telecom | - | - | - | - | - | - | - | - |
| | G&A | 597 | 80 | 80 | 111 | 80 | 80 | 112 | 80 |
| | Auditing / Tax Professionals | 250 | 250 | 250 | 250 | 250 | - | - | - |
| | Travel Expenses | - | - | - | - | - | - | - | - |
| | Other items | - | - | - | - | - | - | - | - |
| | Subtotal - USES (OPEX) | 1,648 | 1,090 | 1,581 | 1,326 | 1,295 | 8,529 | 1,088 | 1,056 |
| Uses (CAPEX) | Boeing | - | - | - | - | - | - | - | - |
| | Qualcomm | - | - | - | - | - | - | - | - |
| | Alcatel Lucent S-BTS | - | - | - | - | - | - | - | - |
| | 1.6 GHz Related (other than spectrum) | - | - | - | - | - | - | - | - |
| | 1.6GHz Additional CapEx for 50% Build (2) | 3,453 | 3,453 | 2,075 | 1,980 | - | - | - | - |
| | Current Network Maintenance/CapEx | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| | BandRich | - | - | - | - | - | - | - | - |
| | Subtotal - USES (CAPEX) | 3,483 | 3,483 | 2,105 | 2,010 | 30 | 30 | 30 | 30 |
| Debt Service | Cash Interest | | | | | | | | |
| Restructuring Related | Restructuring Professionals | 1,369 | 1,649 | 1,061 | 1,036 | 1,036 | 1,424 | 1,036 | 1,061 |
| | Total Uses | 6,501 | 6,223 | 4,747 | 4,372 | 2,361 | 9,984 | 2,154 | 2,147 |
| | Inc Group Ending Cash Balance (excl. Cash at TMI) | 34,425 | 28,203 | 23,457 | 19,085 | 16,725 | 6,742 | 4,588 | 2,441 |

Note: Does not include any costs associated with NOAA spectrum

(1) Forecast does not capture fees that could potentially be incurred in connection with Working Capital Facility

(2) CapEx for build-out of 1.6GHz network to cover 50% of PoPs by 9/30/2015

**ANNEX C**

FORM OF LP DIP TERM NOTE

$_____ New York, New York
_____ __, 2015

FOR VALUE RECEIVED, **LIGHTSQUARED LP**, a Delaware limited partnership, a debtor and debtor-in-possession under Chapter 11 of the Bankruptcy Code (the "LP DIP Borrower"), hereby promises to pay to [_____] [or its registered assigns] (the "DIP Lender"), in lawful money of the United States of America in immediately available funds the principal sum of _____ DOLLARS ($_____), as such amount may be increased by the addition of interest that has been paid in kind in accordance with the Final Order (A) Authorizing DIP Obligors To Obtain Eighth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay [Docket No. __] (the "Eighth Replacement DIP Order")[1] or, if less, the unpaid principal amount of all Eighth Replacement DIP Loans made by the DIP Lender under the Eighth Replacement DIP Facility in accordance with the Eighth Replacement DIP Order, payable at such times and in such amounts as provided for in the Eighth Replacement DIP Order.

The LP DIP Borrower also promises to pay interest on the unpaid principal amount of each Eighth Replacement DIP Loan made by the DIP Lender in kind, from the date hereof until all principal, accrued and unpaid interest, and all other amounts have been indefeasibly paid in full, in cash, at the rates and at the times specified in the Eighth Replacement DIP Order.

This note is one of the Eighth Replacement Notes referred to in Annex A to the Eighth Replacement DIP Order and is entitled to the benefits thereof and of the other Eighth Replacement DIP Credit Documents. This note is secured by the DIP Collateral and is entitled to the benefits of the guaranties from the DIP Guarantors. This note, and any Eighth Replacement DIP Loans and other obligations (including any accrued and unpaid interest) represented hereby, shall be repaid in full, in cash upon the occurrence of the Final Maturity Date as set forth in the Eighth Replacement DIP Order.

The LP DIP Borrower hereby waives presentment, demand, protest, or notice of any kind in connection with this note.

[1] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Eighth Replacement DIP Order.

**THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH, AND BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY CODE.**

**LIGHTSQUARED LP**

By:_____
Name:
Title:

**ANNEX D**

FORM OF INC. DIP TERM NOTE

$_____ New York, New York
_____ __, 2015

FOR VALUE RECEIVED, **LIGHTSQUARED INC.**, a Delaware corporation, a debtor and debtor-in-possession under Chapter 11 of the Bankruptcy Code (the "Inc. DIP Borrower"), hereby promises to pay to [_____] [or its registered assigns] (the "DIP Lender"), in lawful money of the United States of America in immediately available funds the principal sum of _____ DOLLARS ($_____), as such amount may be increased by the addition of interest that has been paid in kind in accordance with the Final Order (A) Authorizing DIP Obligors To Obtain Eighth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay [Docket No. __] (the "Eighth Replacement DIP Order")[1] or, if less, the unpaid principal amount of all Eighth Replacement DIP Loans made by the DIP Lender under the Eighth Replacement DIP Facility in accordance with the Eighth Replacement DIP Order, payable at such times and in such amounts as provided for in the Eighth Replacement DIP Order.

The Inc. DIP Borrower also promises to pay interest on the unpaid principal amount of each Eighth Replacement DIP Loan made by the DIP Lender in kind, from the date hereof until all principal, accrued and unpaid interest, and all other amounts have been indefeasibly paid in full, in cash, at the rates and at the times specified in the Eighth Replacement DIP Order.

This note is one of the Eighth Replacement Notes referred to in Annex A to the Eighth Replacement DIP Order and is entitled to the benefits thereof and of the other Eighth Replacement DIP Credit Documents. This note is secured by the DIP Collateral and is entitled to the benefits of the guaranties from the DIP Guarantors. This note, and any Eighth Replacement DIP Loans and other obligations (including any accrued and unpaid interest) represented hereby, shall be repaid in full, in cash upon the occurrence of the Final Maturity Date as set forth in the Eighth Replacement DIP Order.

The Inc. DIP Borrower hereby waives presentment, demand, protest, or notice of any kind in connection with this note.

[1] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Eighth Replacement DIP Order.

**THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH, AND BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK AND, TO THE EXTENT APPLICABLE, THE BANKRUPTCY CODE.**

**LIGHTSQUARED INC.**

By:_____
Name:
Title:

# ANNEX E

## FORM OF LP DIP OBLIGOR REAFFIRMATION

[DATE]

LP DIP Obligor Reaffirmation (as amended, modified, restated, and/or supplemented from time to time, this "LP DIP Obligor Reaffirmation"), dated as of [_____ __], 201[_], made by and among each of the undersigned LP DIP Obligors (each, an "LP DIP Obligor" and, collectively, the "LP DIP Obligors") in favor of the DIP Lenders. Except as otherwise defined herein, all capitalized terms used herein and defined in the Eighth Replacement DIP Order (as defined herein) shall be used herein as therein defined.

1. Reference is made to that certain Final Order (A) Authorizing DIP Obligors To Obtain Eighth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay [Docket No. __] (including all annexures, exhibits, and schedules thereto, the "Eighth Replacement DIP Order"), pursuant to which the DIP Lenders shall make Eighth Replacement DIP Loans to the DIP Borrowers on the terms and subject to the conditions set forth therein.

2. Each of the LP DIP Obligors hereby agrees that after the incurrence of the Delayed Draw Replacement DIP Loans:

(a) all of its obligations, liabilities, and indebtedness under the Eighth Replacement DIP Credit Documents, including guarantee obligations, are reaffirmed and shall be valid and enforceable and shall not be impaired or limited by the incurrence of the Delayed Draw Replacement DIP Loans; and

(c) all of the liens and security interests created and arising under such Eighth Replacement DIP Credit Documents remain in full force and effect on a continuous basis, and the perfected status and priority to the extent provided for in the Eighth Replacement DIP Order of each such lien and security interest continues in full force and effect on a continuous basis, unimpaired, uninterrupted, and undischarged as collateral security for the Eighth Replacement DIP Obligations (including, for the avoidance of doubt, the Delayed Draw Replacement DIP Loans), to the extent provided in the Eighth Replacement DIP Credit Documents.

3. THIS LP DIP OBLIGOR REAFFIRMATION SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

4. This LP DIP Obligor Reaffirmation is an Eighth Replacement DIP Credit Document.

6. This LP DIP Obligor Reaffirmation may be executed by one or more of the parties hereto on any number of separate counterparts (including by telecopy or other electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this LP DIP Obligor Reaffirmation to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

Address:

[_____]
[_____]
Tel:[_____]
Fax:[_____]

[_____],
as a LP DIP Obligor

By:_____,
Name:
Title:

[Accepted and Agreed to:

[_____],
as DIP Lender

By:_____,
Name:
Title:

By:_____,
Name:
Title:]

# ANNEX F

## FORM OF DIP OBLIGOR GUARANTY

DIP OBLIGOR GUARANTY (as amended, modified, restated, and/or supplemented from time to time, this "Guaranty"), dated as of [_____ __], 201[_], made by and among each of the undersigned guarantors (each, an "DIP Guarantor" and, collectively, the "DIP Guarantors") in favor of the DIP Lenders. Except as otherwise defined herein, all capitalized terms used herein and defined in the Eighth Replacement DIP Order (as defined herein) shall be used herein as therein defined.

W I T N E S S E T H :

WHEREAS, pursuant to that certain Final Order (A) Authorizing DIP Obligors To Obtain Eighth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay [Docket No. __] (including all annexures, exhibits, and schedules thereto, the "Eighth Replacement DIP Order"), the DIP Lenders shall make Eighth Replacement DIP Loans to the DIP Borrower on the terms and subject to the conditions set forth therein;

WHEREAS, each DIP Guarantor is a direct or indirect subsidiary of either the LP DIP Borrower or the Inc. DIP Borrower;

WHEREAS, the Eighth Replacement DIP Order requires that each DIP Guarantor shall have executed and delivered to the DIP Lenders this Guaranty; and

WHEREAS, each DIP Guarantor will obtain benefits from the incurrence of Eighth Replacement DIP Loans by the DIP Borrowers and, accordingly, desires to execute this Guaranty in order to satisfy the requirements of the Eighth Replacement DIP Order and to induce the DIP Lenders to make Eighth Replacement DIP Loans to the DIP Borrowers;

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to each DIP Guarantor, the receipt and sufficiency of which are hereby acknowledged, each DIP Guarantor hereby covenants and agrees with each other DIP Guarantor and the DIP Lenders as follows:

1. GUARANTY. The DIP Guarantors hereby jointly and severally guarantee, as a primary obligor and not as a surety, to each DIP Lender and their respective successors and assigns, the prompt payment in full when due (whether at stated maturity, by required prepayment, declaration, demand, acceleration, or otherwise) of all Eighth Replacement DIP Obligations. The DIP Guarantors hereby jointly and

severally agree that if DIP Borrowers or any other DIP Guarantor(s) shall fail to pay in full, in cash when due (whether at stated maturity, by acceleration, or otherwise) any of the Eighth Replacement DIP Obligations, the DIP Guarantors will promptly pay the same in cash, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Eighth Replacement DIP Obligations, the same will be promptly paid in full, in cash when due (whether at extended maturity, by acceleration, or otherwise) in accordance with the terms of such extension or renewal.

2. OBLIGATIONS UNCONDITIONAL. The obligations of the DIP Guarantors under Section 1 shall constitute a guaranty of payment and, to the fullest extent permitted by applicable requirements of law, are absolute, irrevocable, and unconditional, joint and several, irrespective of the value, genuineness, validity, regularity, or enforceability of the Eighth Replacement DIP Obligations of the DIP Borrowers under the Eighth Replacement DIP Order, the Eighth Replacement Notes, or any other Eighth Replacement DIP Credit Documents, or any substitution, release, or exchange of any other guarantee of or security for any of the Eighth Replacement DIP Obligations, and, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or DIP Guarantor (except for payment in full). Without limiting the generality of the foregoing, it is agreed that the occurrence of any one or more of the following shall not alter or impair the liability of the DIP Guarantors hereunder which shall remain absolute, irrevocable, and unconditional under any and all circumstances as described above:

(a) at any time or from time to time, without notice to any DIP Guarantors, the time for any performance of, or compliance with, any of the Eighth Replacement DIP Obligations shall be extended, or such performance or compliance shall be waived;

(b) any of the acts mentioned in any of the provisions of the Eighth Replacement DIP Order, the Eighth Replacement Notes, if any, or any other Eighth Replacement DIP Credit Document shall be done or omitted;

(c) the maturity of any of the Eighth Replacement DIP Obligations shall be accelerated, or any of the Eighth Replacement DIP Obligations shall be amended in any respect, any right under the Eighth Replacement DIP Credit Documents or any other agreement or instrument referred to herein or therein shall be amended or waived in any respect, or any other guarantee of any of the Eighth Replacement DIP Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with;

(d) any lien or security interest granted to, or in favor of, any DIP Lender as security for any of the Eighth Replacement DIP Obligations shall fail to be perfected; or

(e) the release of any other DIP Guarantor pursuant to the terms of the Eighth Replacement DIP Order.

The DIP Guarantors hereby, to the fullest extent permitted by applicable requirements of law, expressly waive diligence, presentment, demand of payment, protest, and all notices

whatsoever, and any requirement that any DIP Lender exhaust any right, power, or remedy or proceed against the DIP Borrowers under the Eighth Replacement DIP Order, the Eighth Replacement Notes, if any, or any other Eighth Replacement DIP Credit Document, or against any other person under any other guarantee of, or security for, any of the Eighth Replacement DIP Obligations. The DIP Guarantors waive any and all notice of the creation, renewal, extension, waiver, termination, or accrual of any of the Eighth Replacement DIP Obligations and notice of, or proof of reliance by any DIP Lender upon, this Guaranty or acceptance of this Guaranty, and the Eighth Replacement DIP Obligations, and any of them, shall conclusively be deemed to have been created, contracted, or incurred in reliance upon this Guaranty, and all dealings between DIP Borrowers and the DIP Lenders shall likewise be conclusively presumed to have been had or consummated in reliance upon this Guaranty. This Guaranty shall be construed as a continuing, absolute, irrevocable, and unconditional guarantee of payment without regard to any right of offset with respect to the Eighth Replacement DIP Obligations at any time or from time to time held by DIP Lenders, and the obligations and liabilities of the DIP Guarantors hereunder shall not be conditioned or contingent upon the pursuit by the DIP Lenders or any other person at any time of any right or remedy against DIP Borrowers or against any other person which may be or become liable in respect of all or any part of the Eighth Replacement DIP Obligations or against any collateral security or guarantee therefor or right of offset with respect thereto. This Guaranty shall remain in full force and effect and be binding in accordance with, and to the extent of, its terms upon the DIP Guarantors and the successors and assigns thereof, and shall inure to the benefit of the DIP Lenders, and their respective successors and assigns, notwithstanding that from time to time during the term of the Eighth Replacement DIP Order there may be no Eighth Replacement DIP Obligations outstanding.

3. REINSTATEMENT. The obligations of the DIP Guarantors under this Guaranty shall be automatically reinstated if and to the extent that for any reason any payment by, or on behalf of, the DIP Borrowers or other DIP Obligors in respect of the Eighth Replacement DIP Obligations is rescinded or must be otherwise restored by any holder of any of the Eighth Replacement DIP Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise.

4. SUBROGATION; SUBORDINATION. Each DIP Guarantor hereby agrees that until the indefeasible payment and satisfaction in full, in cash of all Eighth Replacement DIP Obligations, it shall waive any claim and shall not exercise any right or remedy, direct or indirect, arising by reason of any performance by it of its guarantee in Section 1, whether by subrogation or otherwise, against the DIP Borrowers or any other DIP Obligor of any of the Eighth Replacement DIP Obligations or any security for any of the Eighth Replacement DIP Obligations.

5. REMEDIES. After the Final Maturity Date, the DIP Guarantors jointly and severally agree that, as between the DIP Guarantors and the DIP Lenders, the obligations of DIP Borrowers under the Eighth Replacement DIP Order and the Eighth Replacement Notes shall be due and payable as provided in the Eighth Replacement DIP

Order for purposes of Section 1, notwithstanding any stay, injunction, or other prohibition preventing such obligations from becoming automatically due and payable as against DIP Borrowers and that such obligations (whether or not due and payable by DIP Borrowers) shall become forthwith due and payable by the DIP Guarantors for purposes of Section 1.

6. INSTRUMENT FOR THE PAYMENT OF MONEY. Each DIP Guarantor hereby acknowledges that this Guaranty constitutes an instrument for the payment of money, and consents and agrees that any DIP Lender, at its sole option, in the event of a dispute by such DIP Guarantor in the payment of any moneys due hereunder, shall have the right to bring a motion-action under New York CPLR Section 3213.

7. CONTINUING GUARANTY. The Guaranty is a continuing guarantee of payment and shall apply to all Eighth Replacement DIP Obligations whenever arising.

8. GENERAL LIMITATION ON EIGHTH REPLACEMENT DIP OBLIGATIONS. In any action or proceeding involving any state corporate limited partnership or limited liability company law, or any applicable state, federal, or foreign bankruptcy, insolvency, reorganization, or other law affecting the rights of creditors generally, if the obligations of any DIP Guarantor under Section 1 would otherwise be held or determined to be void, voidable, invalid, or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 1, then, notwithstanding any other provision to the contrary, the amount of such liability shall, without any further action by such DIP Guarantor, any other DIP Obligor, or any other person, be automatically limited and reduced to the highest amount (after giving effect to the right of contribution established in Section 9) that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

9. RIGHT OF CONTRIBUTION. Each DIP Guarantor hereby agrees that to the extent that an DIP Guarantor shall have paid more than its proportionate share of any payment made hereunder, such DIP Guarantor shall be entitled to seek and receive contribution from and against any other DIP Guarantor hereunder which has not paid its proportionate share of such payment. Each DIP Guarantor's right of contribution shall be subject to the terms and conditions of Section 4. The provisions of this Section 9 shall in no respect limit the obligations and liabilities of any DIP Guarantor to the DIP Lenders, and each DIP Guarantor shall remain liable to the DIP Lenders for the full amount guaranteed by such DIP Guarantor hereunder.

10. COUNTERPARTS. This Guaranty may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with the DIP Borrowers and the DIP Lenders. Delivery of an executed counterpart hereof by facsimile or other electronic means (including ".pdf",

".tif" or similar format) shall be effective as delivery of a manually executed counterpart hereof.

11. HEADINGS DESCRIPTIVE. The headings of the several Sections of this Guaranty are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Guaranty.

12. GOVERNING LAW, ETC. This Guaranty and the contents hereof are subject to the governing law, jurisdiction, venue, waiver of jury trial, currency indemnity, indemnification, and expense reimbursement provisions set forth in the Eighth Replacement DIP Order (including Annex A thereto) and such provisions are hereby incorporated herein by reference, *mutatis mutandis*.

* * *

IN WITNESS WHEREOF, each DIP Guarantor has caused this Guaranty to be executed and delivered as of the date first above written.

Address:

[_____]
[_____]
Tel:[_____]
Fax:[_____]

[_____],
as a DIP Guarantor

By:_____,
Name:
Title:

[Accepted and Agreed to:

[_____],
as DIP Lender

By:_____,
Name:
Title:

By:_____,
Name:
Title:]

**Exhibit B**

**Redline of Eighth Replacement DIP Order Against Seventh Replacement LP DIP Order**

Exhibit "B" to the Affidavit of Elizabeth Creary,
sworn before me this 29th day of January, 2015.

Commissioner for Taking Affidavits, etc.

Sandra Diana Wendy Kleinert,
a Commissioner, etc., Province of Ontario
for Dentons Canada LLP
Barristers and Solicitors. Expires June 7, 2016

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

| | | |
|---|---|---|
| In re: | ) | Chapter 11 |
| LIGHTSQUARED INC., *et al.*, | ) | Case No. 12-12080 (SCC) |
| Debtors.[1] | ) | Jointly Administered |

**ELEVENTH 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 protection to the Prepetition Secured Parties for any diminution in value of their

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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 Initial Motion and the Amended Cash Collateral Order (as defined below), as applicable.

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 Prepetition LP Agent, on behalf of the Prepetition LP Lenders, and the Ad Hoc LP Secured Group; and the Prepetition LP Agent, on behalf of the Prepetition LP Lenders, and the Ad Hoc LP Secured 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 were then 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] (as amended or modified, the "Amended Cash Collateral Order"); and the Prepetition LP Agent, on behalf of the Prepetition LP Lenders, and the Ad Hoc LP Secured Group having agreed to permit LightSquared to amend the Amended Cash Collateral Order to, among other things, continue to use the Prepetition LP Lenders' Cash Collateral through and including January 31, 2014 on substantially similar terms as were then set forth in the Amended Cash Collateral Order; and the Court having entered the *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* [Docket No. 1118] (the "First Cash Collateral Extension Order"); and the Court having considered the Debtors' subsequent motion, submitted at the direction, and with the support, of the special committee of the boards of directors for LightSquared Inc. and LightSquared GP Inc., for an order (a) authorizing the LP DIP Obligors to obtain superpriority senior secured priming postpetition financing, (b) granting superpriority liens and providing superpriority administrative expense status, (c) granting adequate protection, and (d) modifying automatic stay [Docket No. 1237] (the "LP DIP Facility Motion") seeking, *inter alia*, entry of an order further amending the Amended Cash Collateral Order to, among other things, permit the LP Debtors to continue to use the Prepetition LP Lenders' Cash Collateral through and including April 15, 2014 on substantially similar terms as

currently set forth in the Amended Cash Collateral Order; and all objections, if any, to the relief requested in the LP DIP Facility Motion having been withdrawn, resolved, or overruled by the Court; and the Court having entered (a) that certain *Final Order (A) Authorizing LP DIP Obligors To Obtain Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1291] (the "Initial LP DIP Order"), (b) that certain *Final Order (A) Authorizing LP DIP Obligors To Obtain Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1476] (the "Replacement LP DIP Order"), (c) that certain *Final Order (A) Authorizing LP DIP Obligors To Obtain Second Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1614] (the "Second Replacement LP DIP Order"); (d) that certain *Final Order (A) Authorizing LP DIP Obligors To Obtain Third Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1639] (the "Third Replacement LP DIP Order"); (e) that certain *Final Order (A) Authorizing LP DIP Obligors To Obtain Fourth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1668] (the "Fourth Replacement LP DIP Order"); (f) that certain *Final Order (A) Authorizing LP DIP*

*Obligors To Obtain Fifth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1681] (the "Fifth Replacement LP DIP Order"); (g) that certain *Final Order (A) Authorizing DIP LP Obligors To Obtain Sixth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1736] (the "Sixth Replacement LP DIP Order"); (h) that certain *Final Order (A) Authorizing DIP LP Obligors To Obtain Seventh Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1927] (the "Seventh Replacement LP DIP Order"); (i) that certain *Second 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* [Docket No. 1292] (the "Second Cash Collateral Extension Order"), (j) that certain *Third 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* [Docket No. 1477] (the "Third Cash Collateral Extension Order"), (k) that certain *Fourth 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* [Docket No. 1580] (the "Fourth Cash Collateral Extension Order"), (l) that certain *Fifth 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* [Docket No. 1615] (the "Fifth Cash Collateral Extension Order"), (m) that certain *Sixth 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* [Docket No. 1638] (the "Sixth Cash Collateral Extension Order"), (n) that certain *Seventh 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* [Docket No. 1667] (the "Seventh Cash Collateral Extension Order"), (o) that certain *Eighth 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* [Docket No. 1682] (the "Eighth Cash Collateral Extension Order"), (p) that certain *Ninth 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* [Docket No. 1735] (the "Ninth Cash Collateral Extension Order"), and (q) and that certain *Tenth 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* [Docket No. 1928] (the "Tenth Cash Collateral Extension Order"), collectively with the First Cash Collateral Extension Order, the Second Cash Collateral Extension Order, the Third Cash Collateral Extension Order, the Fourth Cash Collateral Extension Order, the Fifth Cash Collateral Extension Order, the Sixth Cash Collateral Extension Order, the Seventh Cash Collateral Extension Order, the Eighth Cash Collateral Extension Order, and the Ninth Cash Collateral Extension Order, the "Cash Collateral Extension Orders"); and the Court having entered on a date even herewith that certain *Final Order (A) Authorizing DIP Obligors To Obtain Eighth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B)*

*Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* (the "Eighth Replacement DIP Order"); and the Prepetition LP Agent, on behalf of the Prepetition LP Lenders, and the Ad Hoc LP Secured Group having agreed to permit LightSquared to amend the Amended Cash Collateral Order to, among other things, continue to use the Prepetition LP Lenders' Cash Collateral through and including April 30, 2015, subject to the terms and conditions set forth in the Eighth Replacement DIP Order, on substantially similar terms as currently set forth in the Amended Cash Collateral Order, as modified by the Cash Collateral Extension Orders and the terms set forth herein (this "Order"); and it appearing to the Court that entry of the Order is fair and reasonable and in the best interests of the Debtors, their estates, and their stakeholders, and is essential for the continued management 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 Amended Cash Collateral Order shall remain in full force and effect pursuant to the terms thereof, except to the extent modified or further modified by this Order.[3] For the avoidance of doubt, paragraph 25 of the Amended Cash Collateral Order shall read as follows:

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[3] For the avoidance of doubt, the *Final Order, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, and 507, (A) Authorizing Inc. Obligors To Obtain Postpetition Financing, (B) Granting Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 224] (as amended, supplemented, restated, or otherwise modified) governs the Inc. Obligors' use of Cash Collateral of the Prepetition Inc. Lenders unless and until (a) the occurrence of the Inc. Facilities Claims Purchase Closing Date (as defined in the *Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 2035] (as may be amended, modified, and/or supplemented from time to time in accordance with the terms thereof, the "Plan"), (b) the indefeasible repayment in full, in cash of all DIP Inc. Claims (as defined in the Plan) that are not JPM Acquired DIP Inc. Claims either (i) from the proceeds of the Third Party New Inc. DIP Facility or (ii) as contemplated by the New Investor Commitment Documents (each as defined in the Plan), (c) the consummation of the transactions contemplated by the JPM Inc. Facilities Claims Purchase Agreement (as defined in the Plan), and (d) the payment of all accrued and unpaid DIP Inc. Fee Claims (as defined in the Plan) and Prepetition Inc. Fee

"Except as otherwise provided herein, no waiver, modification, or amendment of any of the provisions hereof shall be effective unless set forth in writing, signed by, or on behalf of, all the Debtors, the Prepetition LP Agent, the Ad Hoc LP Secured Group, SP Special Opportunities, LLC, and the DIP Lenders (as defined in the Eighth Replacement DIP Order) and approved by the Court after notice to parties in interest."

2. The last sentence of paragraph F(ii) of the Amended Cash Collateral Order is hereby amended in its entirety as follows: "Notwithstanding anything to the contrary in this Amended Final Order, capital expenditure line items totalling $4,410,000 may be used on an aggregate basis at any time until April 30, 2015."

3. The following finding of fact is hereby added to the Amended Cash Collateral Order as paragraph K immediately following paragraph J:

Section 10.03(a) of the Prepetition LP Credit Agreement provides that: "Borrower shall pay . . . (ii) all out-of pocket expenses incurred by the Administrative Agent or any Lender (including the fees, charges and disbursements of any counsel for the Administrative Agent or any Lender), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, . . . or (B) in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring, or negotiations in respect of such Loans." All expenses reimbursed pursuant to Section 10.03(a)(ii) of the Prepetition LP Credit

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Claims (as defined in the Plan) including, if necessary, estimates of such DIP Inc. Fee Claims and Prepetition Inc. Fee Claims through and including the Inc. Facilities Claims Purchase Closing Date.

Agreement are subject to further Court approval; provided that, for the avoidance of doubt, LP Professional Fees paid pursuant to prior orders of this Court, including the Cash Collateral Extension Orders, are not subject to further Court approval.

4. Paragraph 7 of the Amended Cash Collateral Order is hereby amended as follows:

(a) Section (c) of paragraph 7 is hereby amended and restated in its entirety as follows:

"LP Adequate Protection Payments. As further adequate protection, subject to the reservation of rights set forth in paragraph 12 of this Amended Final Order:

The LP Obligors paid to the Prepetition LP Agent for the benefit of the Prepetition LP Lenders on the first Business Day of each month, from July 1, 2012 to June 1, 2014, an amount equal to $6,250,000 (the "Initial LP Adequate Protection Payments"), inclusive of interest and payment of all reasonable, actual, and documented fees and expenses incurred or accrued by the Prepetition LP Agent and the Ad Hoc LP Secured Group, including, without limitation, the reasonable, actual, and documented fees and disbursements (collectively, the "LP Professional Fees") of White & Case LLP and The Blackstone Group L.P. ("Blackstone"), whether incurred or accrued prior to or after the Petition Date. Such amounts have been applied first, to the non-professional fees and expenses of the Prepetition LP Agent, second, to the LP Professional Fees, and third to interest on the Prepetition LP Obligations, and the Ad Hoc LP Secured Group has advised the LP Obligors, on a monthly basis, of how such amount was to be

allocated among the non-professional fees and expenses of the Prepetition LP Agent, the LP Professional Fees, and interest on the Prepetition LP Obligations. The LP Obligors were not required to pay the Initial LP Adequate Protection Payments to the Prepetition LP Agent, for the benefit of the Prepetition LP Lenders, on the first Business Day of each respective month of July 2014, August 2014, September 2014, October 2014, November 2014, December 2014, and January 2015 (collectively, the "Deferred LP Adequate Protection Payments"); provided, however, that the LP Obligors paid, for the benefit of the Prepetition LP Lenders: (a) LP Professional Fees in such months; and (b) all outstanding reasonable, actual, and documented fees and expenses to date of (i) Bennett Jones LLP, as Canadian counsel to the Ad Hoc LP Secured Group, (ii) McDermott Will & Emery LLP, as counsel to the Prepetition LP Agent, and (iii) Pillsbury Winthrop Shaw Pittman LLP, as counsel to the Prepetition LP Collateral Trustee, in each case on the first Business Day of each such month; provided, further, however, that payment of the Deferred LP Adequate Protection Payments were not deemed waived in the event that the Amended Final Order is further extended, and such unpaid amounts shall be due and payable, and shall be paid in cash on April 30, 2015; provided, however, that an affected Prepetition LP Lender may agree to different treatment in lieu of cash for its pro rata share of the Deferred LP Adequate Protection Payments.

The LP Obligors shall pay (A) to the Prepetition LP Agent for the benefit of the Prepetition LP Lenders on the first Business Day of the months of February 2015, March 2015, and April 2015, an amount in cash equal to $6,250,000, (the

"LP Adequate Protection Payments") and (B) on the first Business Day of each month, starting February 1, 2015, all reasonable, actual, and documented fees and expenses incurred by the Prepetition LP Agent, including the reasonable, actual, and documented fees and disbursements of McDermott Will & Emery LLP, as counsel to the Prepetition LP Agent, and Pillsbury Winthrop Shaw Pittman LLP, as counsel to the Prepetition LP Collateral Trustee.

Nothing in this Amended Final Order shall prejudice any rights of the Prepetition LP Lenders to accrue interest (including at the default rate), fees, expenses, or charges to the fullest extent permitted under section 506(b) of the Bankruptcy Code. All parties reserve all rights to assert that any portion of any adequate protection payments (excluding fees and expenses paid to the Prepetition LP Agent and the LP Professional Fees) made or to be made by the LP Obligors (whether prior to or after the entry of this Order, including, for the avoidance of doubt, the Initial LP Adequate Protection Payments, the Deferred LP Adequate Protection Payments, and the LP Adequate Protection Payments) may be allocated first to reimburse any one of the Prepetition LP Lender's expenses (including the fees, charges, and disbursements of any counsel for such Prepetition LP Lender) to satisfy the LP Obligors' obligation to pay such expenses based upon, but not limited to, Section 10.03(a) of the Prepetition LP Credit Agreement, and nothing in this Amended Final Order or in the Eighth Replacement DIP Order shall be deemed to prejudice such rights. All parties reserve all rights to assert that any adequate protection payments made by the LP Obligors constitute and may be reallocated or recharacterized as principal

repayments of the Prepetition LP Obligations."

(b) Section (d) of paragraph 7 is hereby amended by replacing the words "January 30, 2015" with the words "April 30, 2015."

5. Paragraph 14 of the Amended Cash Collateral Order is hereby amended as follows:

(a) The first sentence of section (f) of paragraph 14 is hereby amended by inserting the words ", the *Final Order (A) Authorizing DIP Obligors To Obtain Eighth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* (the "Eighth Replacement DIP Order")" after the words "(the "Seventh Replacement LP DIP Order"),";

(b) Section (h) of paragraph 14 is hereby amended by (i) deleting the word "and" before the words "the Seventh Replacement LP DIP Order" and inserting "," in lieu thereof, and (ii) inserting the words "and the Eighth Replacement DIP Order" after the words "the Seventh Replacement LP DIP Order";

(c) The first sentence of section (k) of paragraph 14 is hereby amended by (i) inserting ", and the *Notice of Presentment of Final Order (A) Authorizing DIP Obligors To Obtain Eighth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* (the "Eighth Replacement DIP Facility Notice")" following the words ("Seventh Replacement LP DIP Facility Notice") and (ii) and (ii) deleting the word "and" following the words "Other than the LP DIP Facility Motion (as defined in the LP DIP Order)" and inserting "," in lieu thereof;

(d) The first sentence of section (l) of paragraph 14 is hereby amended by (i) inserting the words "and the Eighth Replacement DIP Facility Notice" after the words "Seventh Replacement LP DIP Facility Notice" and (ii) deleting the word "and" before the words "Seventh Replacement LP DIP Facility Notice" and inserting "," in lieu thereof; and

(e) Section (n) of paragraph 14 is hereby amended by deleting the words "January 30, 2015." and inserting the words "April 30, 2015." in lieu thereof.

6. The Budget attached as Schedule 1 to the Tenth Cash Collateral Extension Order is hereby replaced in its entirety by the Budget attached hereto as Schedule 1.

Notwithstanding anything to the contrary in the Amended Cash Collateral Order or the Cash Collateral Extension Orders, failure to comply with the Budget shall not constitute an LP Termination Event.

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

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

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

Dated: January __, 2015
New York, New York

HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

**SCHEDULE 1**

**BUDGET**

# LightSquared LP Group DIP Budget through December 2015 (1,2)

Dollars in thousands

| Quarter | 1Q15 | | 2Q15 | | | 3Q15 | | | 4Q15 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Month | Feb-15 | Mar-15 | Apr-15 | May-15 | Jun-15 | Jul-15 | Aug-15 | Sep-15 | Oct-15 | Nov-15 | Dec-15 |
| **Beginning Cash Balance** | **13,892** | **88,708** | **70,488** | **8,524** | **129,579** | **113,864** | **104,172** | **77,365** | **64,634** | **52,386** | **24,349** |
| Sources | | | | | | | | | | | |
| Satellite Revenue | 1,308 | 1,236 | 1,285 | 1,272 | 1,223 | 1,348 | 1,484 | 1,271 | 1,267 | 1,341 | 1,207 |
| Interest Income | 0 | 1 | 2 | 1 | 2 | 3 | 3 | 2 | 2 | 1 | 1 |
| Equity Financing | - | - | - | - | - | - | - | - | - | - | - |
| Net Debt Financing | 115,000 | - | - | 155,000 | - | - | - | - | - | - | - |
| Financing Fees | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - | - | - |
| **Total Sources** | **116,309** | **1,237** | **1,287** | **156,273** | **1,225** | **1,351** | **1,487** | **1,274** | **1,269** | **1,342** | **1,208** |
| In-Orbit Insurance | - | - | - | - | - | - | - | - | - | 2,056 | - |
| ISAT Coop Agmt | 17,500 | - | - | 17,500 | - | - | 17,875 | - | - | 17,875 | - |
| Spectrum (NOAA) | - | - | - | - | - | - | - | - | - | - | - |
| Staffing Related (entire company) | 6,038 | 1,867 | 2,271 | 2,939 | 1,837 | 2,227 | 1,815 | 2,208 | 1,802 | 1,802 | 2,280 |
| Legal / Regulatory / Lobbying / International | 1,105 | 978 | 870 | 870 | 1,458 | 934 | 937 | 1,255 | 1,512 | 934 | 946 |
| Facilities/Telecom | 671 | 671 | 671 | 671 | 671 | 671 | 671 | 671 | 671 | 671 | 671 |
| G&A | 1,798 | 456 | 336 | 4,267 | 1,336 | 1,336 | 1,336 | 1,336 | 1,471 | 336 | 446 |
| Travel Expenses (entire company) | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Boeing Related Expenses | 212 | 212 | 637 | 212 | 232 | 676 | 239 | 239 | 676 | 239 | 239 |
| Other Items | 793 | 671 | 1,370 | 1,567 | 784 | 656 | 878 | 1,010 | 1,014 | 924 | 743 |
| **Subtotal - USES (OPEX)** | **28,167** | **4,905** | **6,204** | **28,077** | **6,368** | **6,550** | **23,801** | **6,768** | **7,195** | **24,886** | **5,375** |
| Boeing | - | 2,560 | 1,400 | - | 2,606 | - | - | 2,653 | - | - | 2,700 |
| Qualcomm | - | - | - | - | - | - | - | - | - | - | - |
| Alcatel Lucent S-BTS | - | - | - | - | - | - | - | - | - | - | - |
| Current Network Maintenance / Capex | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 | 150 |
| **Subtotal - USES (CAPEX)** | **150** | **2,710** | **1,550** | **150** | **2,756** | **150** | **150** | **2,803** | **150** | **150** | **2,850** |
| Cash Interest | - | - | | | | | | | | | |
| Restructuring Professionals | 6,930 | 5,587 | 5,497 | 6,990 | 7,815 | 4,344 | 4,344 | 4,434 | 6,171 | 4,344 | 4,434 |
| LP Adequate Protection Payments | 6,250 | 6,250 | 6,250 | - | - | - | - | - | - | - | - |
| LP Adequate Protection Payments Catch-up | - | - | 43,750 | - | - | - | - | - | - | - | - |
| **Total Uses** | **41,497** | **19,452** | **63,251** | **35,218** | **16,939** | **11,043** | **28,294** | **14,004** | **13,516** | **29,380** | **12,659** |
| **Net Uses (Total Sources - Total Uses)** | **74,812** | **(18,215)** | **(61,964)** | **121,055** | **(15,715)** | **(9,692)** | **(26,808)** | **(12,731)** | **(12,247)** | **(28,037)** | **(11,451)** |
| **LP Group Ending Cash Balance (excl. Cash at TMI)** | **88,708** | **70,488** | **8,524** | **129,579** | **113,864** | **104,172** | **77,365** | **64,634** | **52,386** | **24,349** | **12,898** |

Note: Does not include any costs associated with NOAA spectrum; does not include any amounts for employee retention
(1) Forecast does not capture fees that could potentially be incurred in connection with the Working Capital Facility
(2) Includes unapproved KEIP payment

**Exhibit "C" to the Affidavit of Elizabeth Creary, sworn before me this 20th day of January, 2015.**

**Commissioner for Taking Affidavits, etc.**

Sandra Diana Wendy Kleinert,
a Commissioner, etc., Province of Ontario
for Dentons Canada LLP
Barristers and Solicitors. Expires June 7, 2016

Docket #1988 Date Filed: 12/19/2014

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

| | | |
|---|---|---|
| In re: | ) | Chapter 11 |
| LIGHTSQUARED INC., *et al.*, | ) | Case No. 12-12080 (SCC) |
| Debtors.[1] | ) | Jointly Administered |

**ORDER SCHEDULING CERTAIN HEARING DATES AND ESTABLISHING DEADLINES IN CONNECTION WITH CHAPTER 11 PLAN PROCESS**

**WHEREAS**, a status conference was held before the Honorable Shelley C. Chapman, United States Bankruptcy Judge for the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), on December 18, 2014 at 9:30 a.m. (prevailing Eastern time); and

**WHEREAS**, the parties submitted to the Bankruptcy Court for consideration a schedule of dates and deadlines in connection with the chapter 11 plan process, a copy of which is attached hereto as Exhibit A (the "Schedule").

**NOW, THEREFORE, IT IS HEREBY ORDERED** that the dates and deadlines set forth in the Schedule are approved.

Dated: December 18, 2014
New York, New York

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

[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.

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**Exhibit A**

Schedule

# December 2014

| | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SAT |
|---|---|---|---|---|---|---|
| | 1 | | 3 | 4 | | 6 |
| 7 | | | | | | 13 |
| 14 | | | | | 19 | 20 |
| 21 | 22 Deadline for Initial Discovery Requests | 23 | 24 | | | 27 |
| 28 | 29 | 30 (1) Deadline for Responses to Initial Discovery Requests and (2) Designation of Potential Witnesses | 31 | | | |

# January 2015

| SUN | MON DAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SAT |
|---|---|---|---|---|---|---|
| | | | | | | 3 |
| 4 | 5 | 6 Deadline To File all exhibits to the Disclosure Statement, including valuation, projections, and liquidation analysis | 7 Deadline for Substantial Completion of Initial Document Production | 8 | 9 | 10 |
| 11 | 12 | 13 (1) Deadline To File Objections to Disclosure Statement at 4:00 p.m. (prevailing Eastern time); (2) For non-SPSO parties, designation of Potential Experts (If Any) Submission of Their Reports; (3) Deadline for Supplemental Discovery Requests; (4) Deadline To File Differences Relating to SPSO with Respect to Second Lien Exit Facility; and (5) Deadline To File Permitted Senior or Pari Basket | 14 | 15 (1) Disclosure Statement Hearing at 2:00 p.m. (prevailing Eastern time) and (2) Deadline for Responses to Supplemental Discovery Requests | | 17 |
| 18 | | 20 Deadline To File Plan Supplement | 21 | 22 Deadline for Substantial Completion of Supplemental Document Production | 23 | 24 |
| 25 | 26 (1) Voting Deadline and (2) [Deadline To File Confirmation-Related Motions] | 27 | 28 | 29 Deadline To File Voting Report | 30 | 31 |

Fact and Expert Depositions (January 27 – February 13)

# February 2015

| SUN | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SAT |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 For SPSO, designation of Potential Experts (If Any) and Submission of Their Reports[1] | 5 | 6 All depositions noticed by SPSO to be completed by this date, unless SPSO agrees otherwise | 7 |
| | Fact and Expert Depositions (January 27 – February 13) | | | | | |
| 8 | 9 | 10 Deadline To File (1) Objections to Plan and [(2) Objection to Confirmation-Related Motions][2] at 4:00 p.m. (prevailing Eastern time) | 11 | | 13 Fact and Expert Discovery Cutoff | 14 |
| | Fact and Expert Depositions (January 27 – February 13) | | | | | |
| 15 | | 17 | 18 Deadline To File (1) Confirmation Brief and [(2) Reply in Support of Confirmation-Related Motions] at 4:00 p.m. (prevailing Eastern time) | 19 | 20 Deadline To File Affidavits and/or Declarations in Lieu of Live Direct | 21 |
| 22 | 23 Commencement of Confirmation Hearing | 24 | 25 | | | 28 |
| | Confirmation Hearing (February 23-25) | | | | | |

1 SPSO's report shall not be considered a "rebuttal" or similarly limited in scope.

2 Deadline to file Objections to, and Replies in support of, Confirmation-Related Motions subject to further discussion.

# March 2015

| SUN | MON | TUES | WEDNESDAY | THURSDAY | FRIDAY | SAT |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 29 | 30 | 31 | | | | |

Exhibit "D" to the Affidavit of Elizabeth Creary,
sworn before me this 29th day of January, 2015.

Commissioner for Taking Affidavits, etc.

Sandra Diana Wendy Kleinert,
a Commissioner, etc., Province of Ontario
for Dentons Canada LLP
Barristers and Solicitors. Expires June 7, 2016

Docket #2036 Date Filed: 1/20/2015

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

| | | |
|---|---|---|
| In re: | ) | Chapter 11 |
| LIGHTSQUARED INC., *et al.*, | ) | Case No. 12-12080 (SCC) |
| Debtors.[1] | ) | Jointly Administered |

**ORDER APPROVING (A) SECOND AMENDED SPECIFIC DISCLOSURE STATEMENT FOR SECOND AMENDED JOINT PLAN PURSUANT TO CHAPTER 11 OF BANKRUPTCY CODE AND (B) SOLICITATION PROCEDURES AND SHORTENED DEADLINES WITH RESPECT TO CONFIRMATION OF SUCH PLAN**

Upon the motion (the "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"), at the request and direction of the special committee of the boards of directors (the "Special Committee") for LightSquared Inc. and LightSquared GP Inc., on behalf of LightSquared and the other Plan Proponents, pursuant to sections 105, 1125, and 1126 of title 11 of the United States Code, §§ 101-1532 (as amended, the "Bankruptcy Code"), rules 2002, 3017, and 9006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and rule 3017-1 of the Local Bankruptcy Rules for the Southern District of New York (the "Local Rules"), for entry of an order (the "Order") approving (a) the adequacy of the *Second Amended Specific Disclosure Statement for Second Amended Joint Plan*

[1] The debtors in these Chapter 11 Cases (as defined below), 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 used but not otherwise defined shall having the meanings set forth in the Motion.

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*Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 2035] (the "Specific Disclosure Statement"), and (b) the proposed solicitation procedures and shortened deadlines with respect to the *Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 2035] (as may be further amended in accordance with the terms thereof, the "Plan"); and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and the Motion in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Motion appearing adequate and appropriate under the circumstances; and the Court having found that no other or further notice is needed or necessary; and the Court having reviewed the Motion and having heard statements in support of the Motion at a hearing held before the Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and it appearing, and the Court having found, that the relief requested in the Motion is in the best interests of LightSquared, its estates, its creditors, and other parties in interest; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY FOUND AND DETERMINED THAT:**[3]

A. The notice of the Motion and Hearing was adequate under the circumstances and no other or further notice is required.

B. The entry of this Order is in the best interests of LightSquared and its estates, creditors, interest holders, and other parties in interest herein.

---

[3] Regardless of the heading under which they appear, any (a) findings of fact that constitute conclusions of law shall be conclusions of law and (b) conclusions of law that constitute findings of fact shall be findings of fact. All findings of fact and conclusions of law announced by the Court at the Hearing in relation to the Motion are incorporated herein to the extent not inconsistent herewith.

**IT IS HEREBY ORDERED AND DETERMINED THAT:**

1. The Motion is granted as provided herein.

2. The Specific Disclosure Statement contains adequate information within the meaning of section 1125(a) of the Bankruptcy Code and, therefore, is approved pursuant to section 1125(a)(1) of the Bankruptcy Code and Bankruptcy Rule 3017(b). To the extent not withdrawn, settled, or otherwise resolved, any objection to the Motion or approval of the Specific Disclosure Statement is overruled.

3. The form of ballot for voting to accept or reject the Plan, attached hereto as Exhibit 1 (the "Ballot"), complies with Bankruptcy Rules 3017 and 3018 and are approved.

4. The record date for purposes of determining the Holders of Claims or Equity Interests entitled to vote on the Plan is the date of entry of this Order (the "Record Date").

5. Promptly upon entry of this Order, the Claims and Solicitation Agent shall distribute, or cause to be distributed, to all Holders of Claims or Equity Interests in those Classes entitled to vote on the Plan (the "Voting Classes"): (a) the Specific Disclosure Statement; (b) this Order; (c) the applicable Ballot; (d) the Confirmation Hearing Notice (as defined below); and (e) any other related documents (collectively with the Specific Disclosure Statement, this Order, the Confirmation Hearing Notice, the Ballots, and all exhibits thereto, the "Solicitation Materials").

6. The Solicitation Materials and the distribution thereof as set forth herein (a) provide all Holders of Claims or Equity Interests entitled to vote on the Plan with the requisite materials and sufficient time to make an informed decision with respect to the Plan, (b) satisfy the requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy Rules, and (c) are approved in their entirety.

7. All Ballots shall be properly executed, completed, and delivered to the Claims and Solicitation Agent so that they are received by the Claims and Solicitation Agent no later than 4:00 p.m. (prevailing **Pacific** time) on February 9, 2015 (the "Voting Deadline").

8. Promptly upon entry of this Order, the Claims and Solicitation Agent shall distribute, or cause to be distributed, to all Holders of Claims or Equity Interests in Classes not entitled to vote on the Plan a notice substantially in the form attached to this Order as Exhibit 2, together with the Confirmation Hearing Notice (as defined below).

9. The notice substantially in the form attached hereto as Exhibit 3 (the "Confirmation Hearing Notice") notifying all Holders of Claims or Equity Interests and other parties in interest of the time, date, and place of the hearing to consider, and the deadline for filing objections to, confirmation of the Plan (the "Confirmation Hearing") is hereby approved and deemed adequate and sufficient notice of the Combined Hearing in accordance with Bankruptcy Rules 2002, 3017, and 9006 and Local Bankruptcy Rules 2002-1 and 3017-1.

10. The dates and deadlines with respect to the Plan shall be as follows:

- Deadline To Accept or Reject Plan: February 9, 2015 at 4:00 (prevailing **Pacific** time).
- Deadline To File Voting Report: February 13, 2015 at 4:00 p.m. (prevailing Eastern time).
- Deadline To File Objections to Confirmation of Plan: February 25, 2015 at 11:59 p.m. (prevailing Eastern time).
- Deadline To File Confirmation Brief: March 5, 2015 at 4:00 p.m. (prevailing Eastern time).
- Commencement of Confirmation Hearing: March 9, 2015 at 10:00 a.m. (prevailing Eastern time).

11. The Plan Proponents shall be deemed to have provided, in accordance with Bankruptcy Rules 2002, 3017, and 9006 and Local Bankruptcy Rules 2002-1 and 3017-1,

adequate notice of the foregoing dates and deadlines, the Ballots, the Specific Disclosure Statement, and the Plan; provided, further, (a) to the extent applicable, the time prescribed by Bankruptcy Rule 2002(b) for objecting to the Plan shall be shortened so as to require objections by the deadline set forth herein (i.e., February 25, 2015 at 11:59 p.m. (prevailing Eastern time)), and the Plan Proponents' deadline to solicit votes on the Plan shall be shortened and the voting deadline shall be February 9, 2015 at 4:00 p.m. (prevailing **Pacific** time), and (b) to the extent applicable, the Court hereby (i) waives the requirement in Local Bankruptcy Rule 3018-1 that the Voting Report for the Plan be filed at least seven (7) days prior to the Confirmation Hearing, and (ii) shortens the time period to file the Voting Report with respect to the Plan.

12. The terms of, and relief granted in, the *Order (I) Approving Disclosure Statements, (II) Approving Solicitation and Notice Procedures with Respect to Confirmation of Competing Plans, (III) Approving Forms of Various Ballots and Notices in Connection Therewith, (IV) Approving Scheduling of Certain Dates in Connection with Confirmation of Competing Plans, and (V) Granting Related Relief* [Docket No. 936] (the "Disclosure Statement Order") are incorporated herein by reference and shall be deemed part of this Order; provided, to the extent the terms of the Disclosure Statement Order conflict with the terms of this Order, the terms of this Order shall control.

13. The Plan Proponents and the Claims and Solicitation Agent are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

14. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: January 20, 2015

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

**Exhibit 1**

**Form of Ballot**

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

| | | |
|---|---|---|
| In re: | ) | Chapter 11 |
| LIGHTSQUARED INC., *et al.*, | ) | Case No. 12-12080 (SCC) |
| Debtors.[1] | ) | Jointly Administered |

**BALLOT FOR PREPETITION LP FACILITY NON-SPSO CLAIMS (CLASS 7A) WITH RESPECT TO SECOND AMENDED JOINT PLAN PURSUANT TO CHAPTER 11 OF BANKRUPTCY CODE**

**PLEASE READ AND FOLLOW THE ENCLOSED INSTRUCTIONS CAREFULLY BEFORE COMPLETING THE BALLOT**

LightSquared Inc., LightSquared LP, and the other Debtors in the Chapter 11 Cases, with the authority, and at the direction, of the Special Committee, together with Fortress, Centerbridge, and Harbinger (collectively, the "Plan Proponents"), are soliciting votes with respect to the *Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code*, dated January 20, 2015 [Docket No. 2035] (as may be further amended or supplemented from time to time, and including all exhibits and supplements thereto, the "Plan"). All capitalized terms used but not otherwise defined herein or in the enclosed voting instructions (the "Voting Instructions") shall have the meanings ascribed to such terms in (1) the Plan or (2) the *Order Approving (A) Second Amended Specific Disclosure Statement for Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code and (B) Solicitation Procedures and Shortened Deadlines with Respect to Confirmation of Such Plan*, dated January 20, 2015 [Docket No. ____], as applicable.

The Plan Proponents are soliciting votes through Kurtzman Carson Consultants LLC, the notice, claims, solicitation, and balloting agent retained by the Debtors in these Chapter 11 Cases (the "Claims and Solicitation Agent"), with respect to the Plan from the holders of certain impaired Claims against, or Equity Interests in, the Debtors. Please refer to the Voting Instructions. If you have any questions on how to properly complete this ballot, please call the Claims and Solicitation Agent at (877) 499-4509.

[1] The debtors in these Chapter 11 Cases (as defined below), 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.

This ballot (the "Ballot") is being sent to all persons or entities that hold Prepetition LP Facility Non-SPSO Claims. This Ballot is to be used for voting to accept or reject the Plan. If you hold more than one type of Claim or Equity Interest, you will receive a Ballot for each Claim or Equity Interest that you hold and for which you are entitled to vote. This Ballot shall supersede and revoke any prior dated Ballot used to vote on the Plan.

Before you vote, you should review the Plan, the *First Amended General Disclosure Statement*, dated October 7, 2013 [Docket No. 918] (as may be further amended or supplemented from time to time, and including all exhibits and supplements thereto, the "General Disclosure Statement"), and the *Second Amended Specific Disclosure Statement for Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code*, dated January 20, 2015 [Docket No. 2035] (as may be further amended or supplemented from time to time, and including all exhibits and supplements thereto, the "Specific Disclosure Statement" and, together with the General Disclosure Statement, the "Disclosure Statements"). If the Plan is confirmed by the Bankruptcy Court, it shall be binding on you whether or not you vote.

This Ballot may not be used for any purpose other than for (1) casting votes to accept or reject the Plan, or (2) electing to opt out of the third-party release provisions set forth in Section VIII.F of the Plan (the "Third-Party Releases") to the extent that the Plan provides for such election.

---

**THIS BALLOT MUST BE RECEIVED BY THE CLAIMS AND SOLICITATION AGENT NO LATER THAN 4:00 P.M. (PREVAILING PACIFIC TIME) ON FEBRUARY 9, 2015 (THE "VOTING DEADLINE").**

**IF THIS BALLOT IS NOT COMPLETED, SIGNED, AND TIMELY RECEIVED BY THE CLAIMS AND SOLICITATION AGENT BY THE VOTING DEADLINE, YOUR VOTE SHALL NOT BE COUNTED WITH RESPECT TO THE PLAN AND ANY ELECTION TO OPT OUT OF THE THIRD PARTY RELEASES SHALL NOT BE VALID. IF THE BANKRUPTCY COURT CONFIRMS THE PLAN, IT SHALL BIND YOU REGARDLESS OF WHETHER OR NOT YOU VOTE.**

**PLEASE COMPLETE THE APPLICABLE ITEMS.**

---

**IMPORTANT**

**YOU SHOULD REVIEW THE DISCLOSURE STATEMENTS AND PLAN BEFORE YOU VOTE. YOU MAY WISH TO SEEK LEGAL ADVICE CONCERNING THE PLAN AND CLASSIFICATION AND TREATMENT THEREUNDER.**

**IF THE HOLDER OF A CLASS 8A PREPETITION LP FACILITY NON-SPSO GUARANTY CLAIM VOTES TO ACCEPT THE PLAN, SUCH VOTE ALSO SHALL BE DEEMED AN ACCEPTANCE OF THE PLAN WITH RESPECT TO CLAIMS HELD BY SUCH HOLDER IN CLASS 7A.**

---

**Item 1. Amount of Claim.**

The undersigned is the record holder of a Prepetition LP Facility Non-SPSO Claim in the outstanding principal amount of
$_____.

**Item 2. Votes.**

The holder of the Prepetition LP Facility Non-SPSO Claim set forth in Item 1 votes to accept or reject the Plan as indicated below:

| | |
|---|---|
| ☐ | ☐ |

Any Ballot that is executed by the holder of a Claim or Equity Interest but that indicates both an acceptance and a rejection of the Plan, or does not indicate either an acceptance or rejection of the Plan, shall not be counted as a vote with respect to the Plan.

If you vote to reject the Plan, please see Item 3 below.

**Item 3. Releases.**

**All entities are advised to carefully review and consider the Plan, including the settlement, release, exculpation, and injunction provisions contained in Article VIII thereof, as their rights may be affected.**

**COMPLETE THIS ITEM ONLY IF YOU ARE ENTITLED TO VOTE ON THE PLAN IN ITEM 2 ABOVE AND YOU VOTED TO REJECT THE PLAN.** If you have voted to reject the Plan, you may check the box below to elect to reject the Third-Party Releases contained in the Plan to the extent that the Plan provides for such election.

The holder of the Prepetition LP Facility Non-SPSO Claim set forth in Item 1 elects to:

☐ Reject the Third-Party Releases contained in the Plan to the extent that the Plan provides for such election.

**Item 4. Certifications.**

By signing this Ballot, the undersigned certifies to the Bankruptcy Court and the Plan Proponents under the penalty of perjury that:

(a) either (i) such person or entity is the holder of the Prepetition LP Facility Non-SPSO Claim being voted or (ii) such person or entity is an authorized signatory for a person or entity which is the holder of the Prepetition LP Facility Non-SPSO Claim being voted;

(b) such person or entity has received copies of the Disclosure Statements and other materials from the Solicitation Materials;

(c) such person or entity acknowledges that the solicitation of votes is being made pursuant, and is subject, to all the terms and conditions set forth in the Disclosure Statements;

(d) such person or entity has cast the same vote on every Ballot completed by such person or entity with respect to the Prepetition LP Facility Non-SPSO Claim under the Plan;

(e) no other Ballots with respect to the Prepetition LP Facility Non-SPSO Claim identified in Item 1 have been cast under the Plan or, if any other Ballots have been cast with respect to such Prepetition LP Facility Non-SPSO Claim under the Plan, such earlier Ballots are hereby revoked with respect to the Plan; and

(f) such person or entity is to be treated as the record holder of the Prepetition LP Facility Non-SPSO Claim for the purposes of voting on the Plan.

Dated: _____, 2015

Name of Voter: _____
(Print or Type)

Social Security
or Federal Tax I.D. No.: _____

Signature: _____

By: _____
(If Appropriate)

Title: _____
(If Appropriate)

Street Address: _____

City, State, and
Zip Code: _____

_____

**PLEASE COMPLETE, SIGN, AND DATE THE BALLOT AND RETURN IT PROMPTLY.**

**PLEASE DELIVER THIS BALLOT TO THE CLAIMS AND SOLICITATION AGENT BY (I) E-MAIL TO LIGHTSQUAREDBALLOTS@KCCLLC.COM, (II) FACSIMILE TO (310) 776-8379, OR (III) FIRST CLASS MAIL, OVERNIGHT COURIER, OR PERSONAL DELIVERY TO:**

**LIGHTSQUARED BALLOT PROCESSING**
**c/o KURTZMAN CARSON CONSULTANTS LLC**
**2335 ALASKA AVENUE**
**EL SEGUNDO, CA 90245**

**SO AS TO BE RECEIVED NO LATER THAN 4:00 P.M. (PREVAILING PACIFIC TIME) ON FEBRUARY 9, 2015, OR YOUR VOTE SHALL NOT BE COUNTED AND ANY ELECTION TO OPT OUT OF THE THIRD-PARTY RELEASES SHALL NOT BE VALID.**

**PLEASE MAKE SURE YOU HAVE PROVIDED ALL OF THE INFORMATION REQUESTED BY THIS BALLOT.**

## VOTING INSTRUCTIONS

1. The Plan Proponents have filed the Plan and the Specific Disclosure Statement. The Bankruptcy Court has (a) approved the Specific Disclosure Statement and (b) directed the solicitation of votes with regard to the approval or rejection of the Plan.

2. All capitalized terms used in the Ballot or these Voting Instructions but not otherwise defined herein shall have the meanings ascribed to such terms in (a) the Plan or (b) the *Order Approving (A) Second Amended Specific Disclosure Statement for Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code and (B) Solicitation Procedures and Shortened Deadlines with Respect to Confirmation of Such Plan* dated January 20, 2015 [Docket No. ____], as applicable.

3. This Ballot shall supersede and revoke any prior dated Ballot used to vote on the Plan.

4. If the Bankruptcy Court confirms the Plan, it shall bind the holders of Claims against, and holders of Equity Interests in, the applicable Debtors in accordance with the terms thereof. Please review the Disclosure Statements for more information. These Voting Instructions apply to the holders of Claims or Equity Interests wherever located, including, without limitation, those located in Canada.

5. The Bankruptcy Court has approved January 20, 2015 as the voting record date for purposes of determining (a) which holders of Claims or Equity Interests are entitled to vote on the Plan and (b) whether Claims or Equity Interests have been properly transferred to an assignee pursuant to Bankruptcy Rule 3001(e) such that the assignee can vote as the holder of the Claim or Equity Interest.

6. To ensure that your vote is counted, you must (a) complete the Ballot, (b) indicate your decision either to accept or reject the Plan in the boxes provided in Item 2 of the Ballot, and (c) sign, date, and timely return the Ballot to the Claims and Solicitation Agent.

7. If you (a) are entitled to vote on the Plan and vote to reject the Plan, and (b) wish to elect to withhold consent to the third-party release provisions set forth in Section VIII.F of the Plan (the "Third-Party Releases") to the extent that the Plan provides for such election, then to ensure that your election is recorded you must (i) complete Item 3 of the Ballot, and (ii) sign, date, and timely return the Ballot to the Claims and Solicitation Agent. If you indicate a decision to accept the Plan in the applicable box provided in Item 2 of the Ballot and complete Item 3 of the Ballot, your election in Item 3 with respect to the Third-Party Releases shall be disregarded.

8. To have your vote counted with respect to the Plan, your properly completed Ballot must actually be received by the Claims and Solicitation Agent no later than 4:00 p.m. (prevailing **Pacific** time) on February 9, 2015 (the "Voting Deadline").

9. Except as otherwise provided in the Solicitation Procedures, or unless waived by the Plan Proponents or permitted by order of the Bankruptcy Court, the Plan Proponents may

reject the Ballot as invalid if it is not timely received on or prior to the Voting Deadline, and, therefore, decline to count it in connection with confirmation. The method of delivery of Ballots to be sent to the Claims and Solicitation Agent is at the election and risk of each holder of a Claim or Equity Interest, but, except as otherwise provided in the Solicitation Procedures, such delivery shall be deemed made only when the executed Ballot is actually received by the Claims and Solicitation Agent.

10. Unless specifically instructed by the Claims and Solicitation Agent to do so, no Ballot should be sent to the Plan Proponents, the Plan Proponents' agents (other than the Claims and Solicitation Agent), or the Plan Proponents' financial or legal advisors. If so sent, the Ballot shall not be counted in connection with confirmation of the Plan.

11. The Plan Proponents expressly reserve the right to make non-substantive or immaterial changes to the Plan and related documents without further order of the Bankruptcy Court (subject to compliance with the requirements of section 1127 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the "Bankruptcy Code"), and the terms of the Plan regarding modifications). The Bankruptcy Code requires the Plan Proponents to disseminate additional solicitation materials if the Plan Proponents make material changes to the terms of the Plan or if the Plan Proponents waive a material condition to confirmation of the Plan. In that event, the solicitation may be extended to the extent directed by the Bankruptcy Court.

12. The Ballot is not a letter of transmittal and may not be used for any purpose other than (a) transmitting your vote to accept or reject the Plan or (b) electing to opt out of the Third-Party Releases (as applicable). Accordingly, you should not surrender instruments or certificates representing or evidencing your Claim or Equity Interest, and neither the Plan Proponents nor the Claims and Solicitation Agent shall accept delivery of such instruments or certificates surrendered together with a Ballot.

13. If multiple Ballots are received by the Claims and Solicitation Agent from the same holder of a Prepetition LP Facility Non-SPSO Claim with respect to the same Prepetition LP Facility Non-SPSO Claim prior to the Voting Deadline, the last dated valid Ballot received prior to the Voting Deadline will supersede and revoke any prior dated Ballot.

14. Separate Ballots received by the Claims and Solicitation Agent from the same holder of Prepetition LP Facility Non-SPSO Claims with respect to the Plan shall be counted separately for purposes of determining acceptances or rejections of the Plan pursuant to section 1126(c) of the Bankruptcy Code; provided, however, to the extent that a holder has multiple Prepetition LP Facility Non-SPSO Claims within the same class under the Plan, the Plan Proponents may, in their discretion, aggregate and count as a single vote the Prepetition LP Facility Non-SPSO Claims of such holder for the purpose of counting the number of votes.

15. Holders of Prepetition LP Facility Non-SPSO Claims under the Plan must vote all of their Prepetition LP Facility Non-SPSO Claims either to accept or reject the Plan and may not

split any such votes with respect to the Plan. Accordingly, a Ballot that partially rejects and partially accepts the Plan shall not be counted.

16. If the Holder of a Class 8A Prepetition LP Facility Non-SPSO Guaranty Claim votes to accept the Plan, such vote also shall be deemed an acceptance of the Plan with respect to Claims held by such Holder in Class 7A.

17. Unless otherwise ordered by the Bankruptcy Court, all questions as to the validity, form, eligibility (including time of receipt), and revocation or withdrawal of Ballots with respect to the Plan shall be determined by the Plan Proponents, which determination shall be final and binding.

18. A person signing a Ballot in its capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation, or otherwise acting in a fiduciary or representative capacity must indicate such capacity when signing and, if required or requested by the applicable holder of a Prepetition LP Facility Non-SPSO Claim or its agent, the Claims and Solicitation Agent, the Plan Proponents, or the Bankruptcy Court, must submit proper evidence to the requesting party to so act on behalf of such holder of a Prepetition LP Facility Non-SPSO Claim.

19. Any defects or irregularities in connection with deliveries of Ballots must be cured prior to the Voting Deadline or such Ballots shall not be counted; provided, however, that the Plan Proponents, subject to contrary order of the Bankruptcy Court, may waive any defects or irregularities as to any particular Ballot at any time, either before or after the close of voting, and any such waivers shall be documented in the Voting Report.

20. Except as otherwise set forth in the Solicitation Procedures, neither the Plan Proponents nor any other entity shall (a) be under any duty to provide notification of defects or irregularities with respect to delivered Ballots other than as provided in the Voting Report or (b) incur any liability for failure to provide such notification.

21. In the event a designation for lack of good faith is requested by a party in interest under section 1126(e) of the Bankruptcy Code, the Bankruptcy Court shall determine whether any vote to accept or reject the Plan cast with respect to the Prepetition LP Facility Non-SPSO Claim for which designation is requested shall be counted for purposes of determining whether the Plan has been accepted or rejected by the holder of such Prepetition LP Facility Non-SPSO Claim.

22. Subject to any contrary order of the Bankruptcy Court, the Plan Proponents reserve the right to reject any and all Ballots not in proper form, the acceptance of which (in the opinion of the Plan Proponents) would not be in accordance with the provisions of the Bankruptcy Code or the Bankruptcy Rules; provided, however, that any such rejections shall be documented in the Voting Report.

23. If a Prepetition LP Facility Non-SPSO Claim has been estimated or otherwise allowed for voting purposes by an order of the Bankruptcy Court pursuant to Bankruptcy Rule

3018(a), such Prepetition LP Facility Non-SPSO Claim shall be temporarily allowed in the amount so estimated or allowed by the Bankruptcy Court for voting purposes only and not for purposes of allowance or distribution.

24. If an objection to a Prepetition LP Facility Non-SPSO Claim is filed, such Prepetition LP Facility Non-SPSO Claim shall be treated in accordance with the Solicitation Procedures and the terms of the Plan.

25. The following Ballots shall not be counted in determining the acceptance or rejection of the Plan: (a) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the Prepetition LP Facility Non-SPSO Claim; (b) any Ballot that contains the vote cast by a party that does not hold a Prepetition LP Facility Non-SPSO Claim that is entitled to vote on the Plan; (c) any unsigned Ballot; (d) any Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; or (e) any Ballot submitted by any entity not entitled to vote pursuant to the Solicitation Procedures.

26. Any class of Claims or Equity Interests that does not have a holder of an Allowed Claim or Equity Interest, or a Claim or Equity Interest temporarily Allowed by the Bankruptcy Court as of the date of the Confirmation Hearing, shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such class pursuant to section 1129(a)(8) of the Bankruptcy Code.

27. If no holders of Prepetition LP Facility Non-SPSO Claims vote to accept or reject the Plan, the Plan shall be deemed accepted by all holders of such Prepetition LP Facility Non-SPSO Claims.

28. If you hold more than one type of Claim or Equity Interest, you may receive more than one ballot, each coded for a different Claim or Equity Interest. Each ballot votes only your Claim or Equity Interest indicated on that ballot. Please complete and return each ballot you received.

29. This Ballot does not constitute, and shall not be deemed to be, a proof of claim or interest or an assertion or admission of a Claim or Equity Interest.

30. Each holder of a Prepetition LP Facility Non-SPSO Claim shall be deemed to have voted the full amount of its Claim as allowed for voting purposes, notwithstanding anything to the contrary on its Ballot.

31. Please be sure to sign and date your Ballot. In addition, please provide your name and mailing address if different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot.

**Exhibit 2**

**Form of Notice of Non-Voting Status**

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

| | | |
|---|---|---|
| In re: | ) | Chapter 11 |
| LIGHTSQUARED INC., *et al.*, | ) | Case No. 12-12080 (SCC) |
| Debtors.[1] | ) | Jointly Administered |

**NOTICE OF NON-VOTING STATUS WITH RESPECT TO (A) UNCLASSIFIED OR UNIMPAIRED CLASSES PRESUMED TO ACCEPT AND (B) IMPAIRED CLASSES PRESUMED TO REJECT SECOND AMENDED JOINT PLAN PURSUANT TO CHAPTER 11 OF BANKRUPTCY CODE**

**PLEASE TAKE NOTICE** that, on October 10, 2013, the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") entered the *Order (I) Approving Disclosure Statements, (II) Approving Solicitation and Notice Procedures with Respect to Confirmation of Competing Plans, (III) Approving Forms of Various Ballots and Notices in Connection Therewith, (IV) Approving Scheduling of Certain Dates in Connection with Confirmation of Competing Plans, and (V) Granting Related Relief* [Docket No. 936] (the "Disclosure Statement Order") that, among other things, (i) approved the adequacy of the *First Amended General Disclosure Statement*, dated October 7, 2013 [Docket No. 918] (as may be further amended or supplemented from time to time, and including all exhibits and supplements thereto, the "General Disclosure Statement") and (ii) authorized certain procedures (the "Solicitation Procedures"), attached as Schedule 1 thereto, related to the solicitation of acceptances or rejections of certain chapter 11 plans proposed in these Chapter 11 Cases.[2]

**PLEASE TAKE FURTHER NOTICE** that, on January 20, 2015, the Bankruptcy Court entered the *Order Approving (A) Second Amended Specific Disclosure Statement for Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code and (B) Solicitation Procedures and Shortened Deadlines with Respect to Confirmation of Such Plan* [Docket No.

---

[1] The debtors in these Chapter 11 Cases (as defined below), 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 used but not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement Order or the Solicitation Order (as defined below), as applicable.

____] (the "Solicitation Order") that, among other things, (i) approved the *Second Amended Specific Disclosure Statement for Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code,* dated January 20, 2015 [Docket No. 2035] (as may be further amended or supplemented from time to time, and including all exhibits and supplements thereto, the "Specific Disclosure Statement") for purposes of solicitation, (ii) authorized LightSquared, through the Claims and Solicitation Agent (as defined below), to solicit acceptances or rejections of the *Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code*, dated January 20, 2015 [Docket No. 2035] (as may be further amended or supplemented from time to time, and including all exhibits and supplements thereto, the "Plan") from holders of impaired claims or equity interests who are (or may be) entitled to receive distributions under the Plan, and (iii) incorporated by reference the terms of, and relief granted in, the Disclosure Statement Order. **A hearing to consider the confirmation of the Plan (the "Confirmation Hearing") will commence on March 9, 2015 at 10:00 a.m. (prevailing Eastern time) before the Honorable Shelley C. Chapman, United States Bankruptcy Judge, in the Bankruptcy Court.** Please be advised that the Confirmation Hearing may be continued from time to time by the Bankruptcy Court without further notice other than by such adjournment being announced in open court or by a notice of adjournment being filed with the Bankruptcy Court and served on parties entitled to notice under Bankruptcy Rule 2002 and the local rules of the Bankruptcy Court or otherwise. Please note that the Plan Proponents may modify the Plan, if necessary and in accordance with the terms of the Plan and the Bankruptcy Code, prior to, during, or as a result of the Confirmation Hearing without further action by the Plan Proponents and without further notice to, or action, order, or approval of, the Bankruptcy Court or any other entity.

**PLEASE TAKE FURTHER NOTICE** that the General Disclosure Statement, the Specific Disclosure Statement, the Plan, the Disclosure Statement Order, the Solicitation Order, and other documents included in the Solicitation Materials may be obtained by contacting Kurtzman Carson Consultants LLC, the notice, claims, solicitation, and balloting agent retained by LightSquared in these Chapter 11 Cases (the "Claims and Solicitation Agent"), by (i) calling LightSquared's restructuring hotline at (877) 499-4509, (ii) visiting LightSquared's restructuring website at: http://www.kccllc.net/lightsquared, (iii) writing to Kurtzman Carson Consultants LLC, Attn: LightSquared, 2335 Alaska Avenue, El Segundo, CA 90245, or (iv) emailing LightSquaredInfo@kccllc.com. You may also obtain copies of any pleadings filed in these Chapter 11 Cases for a fee via PACER at: http://www.nysb.uscourts.gov.

**PLEASE TAKE FURTHER NOTICE** that you are receiving this notice because, pursuant to the terms of the Plan and the applicable provisions of the Bankruptcy Code, your claim(s) against, or equity interest(s) in, LightSquared is/are (i) either unclassified or unimpaired and, therefore, pursuant to section 1126(f) of the Bankruptcy Code, you are conclusively presumed to have accepted the Plan or (ii) impaired and you are not entitled to receive any distribution under the Plan on account of such claim(s) or equity interest(s) and, therefore, pursuant to section 1126(g) of the Bankruptcy Code, you are deemed to have rejected the Plan. Accordingly, you are **not entitled to vote on the Plan**, and this notice and the *Confirmation Hearing Notice* are being sent to you for informational purposes only.

**PLEASE TAKE FURTHER NOTICE** that, if you have any questions about the status of your claim(s) or equity interest(s), you should contact the Claims and Solicitation Agent in accordance with the instructions provided above.

Dated: January 20, 2015
New York, New York

**BY ORDER OF THE COURT**

Matthew S. Barr
Steven Z. Szanzer
Karen Gartenberg
Milbank, Tweed, Hadley & McCloy LLP
One Chase Manhattan Plaza
New York, New York 10005

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Brad Eric Scheler
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Aaron S. Rothman
Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004

*Counsel for Centerbridge Partners, L.P.*

**Exhibit 3**

**Confirmation Hearing Notice**

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

| | | |
|---|---|---|
| In re: | ) | Chapter 11 |
| LIGHTSQUARED INC., *et al.*, | ) | Case No. 12-12080 (SCC) |
| Debtors.[1] | ) | Jointly Administered |

**CONFIRMATION HEARING NOTICE**

**TO ALL HOLDERS OF CLAIMS OR EQUITY INTERESTS AND PARTIES IN INTEREST:**

1. **Chapter 11 Plan.** The *Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code*, dated January 20, 2015 [Docket No. 2035] (as may be further amended or supplemented from time to time, and including all exhibits and supplements thereto, the "Plan") has been proposed by the above-captioned debtors and debtors in possession (collectively, "LightSquared" or the "Debtors") in the above-captioned chapter 11 cases (the "Chapter 11 Cases"), together with Fortress Credit Opportunities Advisors LLC, Harbinger Capital Partners LLC, and Centerbridge Partners, L.P. (collectively, the "Plan Proponents").

2. **Bankruptcy Court Approval of Disclosure Statements and Solicitation Procedures.** On October 10, 2013, the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") entered the *Order (I) Approving Disclosure Statements, (II) Approving Solicitation and Notice Procedures with Respect to Confirmation of Competing Plans, (III) Approving Forms of Various Ballots and Notices in Connection Therewith, (IV) Approving Scheduling of Certain Dates in Connection with Confirmation of Competing Plans, and (V) Granting Related Relief* [Docket No. 936] (the "Disclosure Statement Order") that, among other things, (a) approved the adequacy of the *First Amended General Disclosure Statement*, dated October 7, 2013 [Docket No. 918] (as may be further amended or supplemented from time to time, and including all exhibits and supplements thereto, the "General Disclosure Statement"), and (b) authorized certain procedures

[1] The debtors in these Chapter 11 Cases (as defined below), 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.

(the "Solicitation Procedures"), attached as Schedule 1 thereto, related to the solicitation of acceptances or rejections of chapter 11 plans proposed in these Chapter 11 Cases.

On January 20, 2015, the Bankruptcy Court entered the *Order Approving (A) Second Amended Specific Disclosure Statement for Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code and (B) Solicitation Procedures and Shortened Deadlines with Respect to Confirmation of Such Plan* [Docket No. ____] (the "Solicitation Order") that, among other things, (i) approved the *Second Amended Specific Disclosure Statement for Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 2035] (as may be further amended or supplemented from time to time, and including all exhibits and supplements thereto, the "Specific Disclosure Statement") for purposes of solicitation, (ii) authorized LightSquared, through the Claims and Solicitation Agent (as defined below), to solicit acceptances or rejections of the Plan from holders of impaired claims or equity interests who are (or may be) entitled to receive distributions under the Plan, and (iii) incorporated by reference the terms of, and relief granted in, the Disclosure Statement Order.

3. **Voting Record Date.** The Bankruptcy Court has approved January 20, 2015 as the voting record date (the "Voting Record Date") for purposes of determining (a) which holders of claims or equity interests are entitled to vote on the Plan and (b) whether claims or equity interests have been properly transferred to an assignee pursuant to Bankruptcy Rule 3001(e) such that the assignee can vote as the holder of the claim or equity interest.

4. **Voting Deadline.** If you held a claim against, or equity interest in, one of the LightSquared entities as of the Voting Record Date, and are entitled to vote on the Plan, you have received one or more Ballots and voting instructions appropriate for your claim(s) or equity interest(s). The Bankruptcy Court has approved February 9, 2015 at 4:00 p.m. (prevailing **Pacific** time) as the deadline for voting on the Plan (the "Voting Deadline"). To be counted as a vote to accept or reject the Plan, a Ballot must be properly executed, completed, and actually received by Kurtzman Carson Consultants LLC, the notice, claims, solicitation, and balloting agent retained by LightSquared in these Chapter 11 Cases (the "Claims and Solicitation Agent"), no later than the Voting Deadline. The Ballots clearly indicate the appropriate return address. Ballots returnable to the Claims and Solicitation Agent should be sent by (a) first class mail, overnight courier, or personal delivery to LightSquared Ballot Processing c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245, (b) email to LightSquaredBallots@kccllc.com, or (c) facsimile to (310) 776-8379. Any failure to follow the voting instructions included with the Ballot may disqualify your Ballot, your vote on the Plan, or any election set forth therein (as applicable).

5. **Objections to Plan.** The Bankruptcy Court has established February 25, 2015 11:59 p.m. (prevailing Eastern time) as the deadline for filing and serving objections to the confirmation of the Plan (the "Plan Objection Deadline"). Any objection to the confirmation of the Plan must (a) be in writing, (b) conform to the Bankruptcy Rules, the Local Bankruptcy Rules, and the *Order Establishing Certain Notice, Case Management, and Administrative Procedures* [Docket No. 121] (the "Case Management Order"), (c) state the name and address of the objecting party and the amount and nature of the claim or equity interest, (d) state with particularity the basis and nature of any objection to the Plan, (e) propose a modification to the Plan that would resolve such objection (if applicable), and (f) be filed, contemporaneously with a

proof of service, with the Bankruptcy Court and served on (i) LightSquared Inc., 10802 Parkridge Boulevard, Reston, VA 20191, Attn: Marc R. Montagner and Curtis Lu, Esq., (ii) counsel to LightSquared, Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, NY 10005, Attn: Matthew S. Barr, Esq., Alan J. Stone, Esq., Steven Z. Szanzer, Esq., and Karen Gartenberg, Esq., (iii) counsel to the Special Committee, Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10021, Attn: James H.M. Sprayregen, Esq., Paul M. Basta, Esq., and Joshua A. Sussberg, Esq., (iv) counsel to Fortress Credit Opportunities Advisors LLC, Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, NY 10038, Attn: Kristopher M. Hansen, Esq., Frank A. Merola, Esq., and Jayme T. Goldstein, Esq., (v) counsel to Harbinger Capital Partners LLC, Kasowitz, Benson, Torres & Friedman LLP, 1633 Broadway, New York, NY 10019, Attn: David M. Friedman, Esq. and Adam L. Shiff, Esq., (vi) counsel to Centerbridge Partners, L.P., Fried, Frank, Harris, Shriver & Jacobson LLP, One New York Plaza, New York, NY 10004, Attn: Brad Eric Scheler, Esq., Peter B. Siroka, Esq., and Aaron S. Rothman, Esq., and (vii) each of the entities on the Master Service List (as defined in the Case Management Order and available on LightSquared's case website at http://www.kccllc.net/lightsquared).

6. **Confirmation Hearing**. A hearing to consider the confirmation of the Plan (the "Confirmation Hearing") will commence on **March 9, 2015 at 10:00 a.m. (prevailing Eastern time)** before the Honorable Shelley C. Chapman, United States Bankruptcy Judge, in the Bankruptcy Court. Please be advised that the Confirmation Hearing may be continued from time to time by the Bankruptcy Court without further notice other than by such adjournment being announced in open court or by a notice of adjournment being filed with the Bankruptcy Court and served on parties entitled to notice under Bankruptcy Rule 2002 and the local rules of the Bankruptcy Court or otherwise. Please note that the Plan Proponents may modify the Plan, if necessary and in accordance with the terms of the Plan and the Bankruptcy Code, prior to, during, or as a result of the Confirmation Hearing without further action by the Plan Proponents and without further notice to, or action, order, or approval of, the Bankruptcy Court or any other entity.

7. **Inquiries**. The Plan, the General Disclosure Statement, the Specific Disclosure Statement, the Disclosure Statement Order, the Solicitation Order, and certain other documents shall be mailed to holders of claims or equity interests entitled to vote on the Plan in CD-ROM format. The Ballots and the Combined Hearing Notice only shall be provided in paper format. Any holder of a claim or equity interest that is entitled to vote on the Plan may obtain a paper copy of the documents otherwise provided on CD-ROM by (a) calling LightSquared's restructuring hotline at (877) 499-4509, (b) visiting LightSquared's restructuring website at: http://www.kccllc.net/lightsquared, (c) writing to Kurtzman Carson Consultants LLC, Attn: LightSquared, 2335 Alaska Avenue, El Segundo, CA 90245, or (d) emailing LightSquaredInfo@kccllc.com. You may also obtain copies of any pleadings filed in these Chapter 11 Cases for a fee via PACER at: http://www.nysb.uscourts.gov. The Claims and Solicitation Agent will (x) answer questions regarding the procedures and requirements for (i) voting to accept or reject the Plan and (ii) objecting to the Plan, (y) provide additional copies of all materials, and (z) oversee the voting tabulation.

8. **Settlement, Release, Exculpation, and Injunction Language in the Plan.**

Please be advised that Article VIII of the Plan contains the following settlement, release, exculpation, and injunction provisions:

**SECTION VIII.D: RELEASES BY DEBTORS.**

**Pursuant to section 1123(b) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, for good and valuable consideration, including the service of the Released Parties to facilitate the expeditious reorganization of the Debtors and the implementation of the restructuring transactions contemplated by the Plan, on and after the Effective Date, the Released Parties are deemed released and discharged by the Debtors, the Reorganized Debtors, and the Estates from any and all claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims asserted on behalf of the Debtors or the Estates, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether for tort, contract, violations of federal or state securities laws, or otherwise, that the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Equity Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the CCAA Proceeding, the prepetition or postpetition purchase, sale, or rescission of the purchase or sale of any debt or Security of the Debtors, the Prepetition Facilities, the DIP Facilities, the Working Capital Facility, the Second Lien Exit Facility, the Exit Intercreditor Agreement, the New LightSquared Entities Shares, the Reorganized LightSquared Inc. Exit Facility, as applicable, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims or Equity Interests prior to or in the Chapter 11 Cases and/or the CCAA Proceeding, the negotiation, formulation, or preparation of the Plan and the Disclosure Statement, or related agreements (including the Plan Support Agreement), instruments, or other documents, any of the Debtors' regulatory efforts (including, without limitation, change of control applications) upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct (including fraud) or gross negligence. Notwithstanding anything contained herein to the contrary, the foregoing release does not release any obligations of any party under the Plan or any document, instrument, or agreement (including those set forth in the Working Capital Facility Credit Agreement, Second Lien Exit Credit Agreement, Reorganized LightSquared Inc. Credit Agreement, Exit Intercreditor Agreement, Reorganized Debtors Governance Documents, and the Plan Supplement) executed to implement the Plan.**

**SECTION VIII.E: EXCULPATION.**

**Except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from, any**

**claim, obligation, Cause of Action, or liability for any act taken or omitted to be taken in connection with, or related to, formulating, negotiating, preparing, disseminating, implementing, administering, confirming, or effecting the Confirmation or Consummation of the Plan, the Disclosure Statement, the Plan Documents, or any contract, instrument, release, or other agreement, or document created or entered into in connection with the Plan (including the Plan Support Agreement), any act taken or omitted to be taken in connection with, or related to, any of the Debtors' regulatory efforts (including, without limitation change of control applications), the negotiation of Cure Costs, the amendment, assumption, assumption and assignment, or rejection of Executory Contracts or Unexpired Leases, or any other prepetition or postpetition act taken or omitted to be taken in connection with, or in contemplation of, the restructuring of the Debtors, the approval of the Disclosure Statement, or Confirmation or Consummation of the Plan, except for (1) willful misconduct (including fraud) or gross negligence and/or (2) the rights of any Entity to enforce the Plan and the contracts, instruments, releases, indentures, and other agreements or documents delivered under, or in connection with, the Plan, or assumed pursuant to the Plan, or assumed pursuant to a Final Order, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon Confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the distributions of the Securities pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.**

**SECTION VIII.F: THIRD-PARTY RELEASES BY HOLDERS OF CLAIMS OR EQUITY INTERESTS.**

**Except as otherwise specifically provided in the Plan, on and after the Effective Date, to the fullest extent permissible under applicable law, (1) each Released Party, (2) each present and former Holder of a Claim or Equity Interest, and (3) each of the foregoing Entities' respective predecessors, successors and assigns, and current and former shareholders, affiliates, subsidiaries, members (including ex-officio members), officers, directors, principals, managers, trustees, employees, partners, attorneys, financial advisors, accountants, investment bankers, investment advisors, actuaries, professionals, consultants, agents, and representatives (in each case, in his, her, or its capacity as such) (each of the foregoing parties in (1), (2), and (3), a "Releasing Party") shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged the Released Parties from any and all claims, interests, obligations, rights, suits, damages, Claims, Equity Interests, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims asserted on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, whether for tort, contract, violations of federal or state securities laws, or otherwise, that each Releasing Party would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, the Chapter 11 Cases, the CCAA Proceeding, the prepetition or postpetition purchase, sale, or rescission of the purchase or sale of any debt or Security of**

**the Debtors, the Prepetition Facilities, the DIP Facilities, the Working Capital Facility, the Second Lien Exit Facility, the Exit Intercreditor Agreement, the New LightSquared Entities Shares, the Reorganized LightSquared Inc. Exit Facility, as applicable, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims or Equity Interests prior to or in the Chapter 11 Cases and/or the CCAA Proceeding, the negotiation, formulation, or preparation of the Plan and the Disclosure Statement, or related agreements, instruments, or other documents, any act taken or omitted to be taken in connection with, or related to, any of the Debtors' regulatory efforts (including, without limitation change of control applications), the negotiation of Cure Costs, the amendment, assumption, assumption and assignment, or rejection of Executory Contracts or Unexpired Leases, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct (including fraud) or gross negligence; provided, however, that each present and former Holder of a Claim or Equity Interest voting to reject the Plan may reject the third-party release provided in this Section VIII.F by checking the box on the applicable Ballot indicating that such Holder opts not to grant such third-party release.**

**Notwithstanding anything contained herein to the contrary, the third-party release herein does not release any obligations of any party under the Plan or any document, instrument, or agreement (including those set forth in the Working Capital Facility Credit Agreement, Second Lien Exit Credit Agreement, Reorganized LightSquared Inc. Credit Agreement, Exit Intercreditor Agreement, Reorganized Debtors Governance Documents, and the Plan Supplement) executed to implement the Plan.**

**SECTION VIII.G: INJUNCTIONS.**

**Except as otherwise expressly provided in the Plan, or for obligations issued pursuant to the Plan, all Entities who have held, hold, or may hold Claims or Equity Interests that have been released pursuant to Section VIII.D hereof or Section VIII.F hereof, discharged pursuant to Section VIII.A hereof, or are subject to exculpation pursuant to Section VIII.E hereof are permanently enjoined, from and after the Effective Date, from taking any of the following actions against the Debtors or the Reorganized Debtors: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of, in connection with, or with respect to any such Claims or Equity Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of, in connection with, or with respect to any such Claims or Equity Interests; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or estates of such Entities on account of, in connection with, or with respect to any such Claims or Equity Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property or Estates of such Entities on account of, in connection with, or with respect to any such Claims or Equity Interests unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Confirmation Date, and notwithstanding an indication in a Proof of Claim**

**or proof of Equity Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of, in connection with, or with respect to any such Claims or Equity Interests released or settled pursuant to the Plan. Nothing in the Plan or Confirmation Order shall preclude any Entity from pursuing an action against one or more of the Debtors in a nominal capacity to recover insurance proceeds so long as the Debtors or Reorganized Debtors, as applicable, and any such Entity agree in writing that such Entity shall (1) waive all Claims against the Debtors, the Reorganized Debtors, and the Estates related to such action and (2) enforce any judgment on account of such Claim solely against applicable insurance proceeds, if any.**

**YOU ARE ADVISED TO CAREFULLY REVIEW AND CONSIDER THE PLAN, THE GENERAL DISCLOSURE STATEMENT, AND THE SPECIFIC DISCLOSURE STATEMENTS, INCLUDING THE SETTLEMENT, RELEASE, EXCULPATION, AND INJUNCTION PROVISIONS, AS YOUR RIGHTS MIGHT BE AFFECTED.**

Dated: January 20, 2015
New York, New York

**BY ORDER OF THE COURT**

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*Counsel for Centerbridge Partners, L.P.*

Exhibit "E" to the Affidavit of Elizabeth Creary,
sworn before me this 29th day of January, 2015.

Commissioner for Taking Affidavits, etc.

Sandra Diana Wendy Kleinert,
a Commissioner, etc., Province of Ontario
for Dentons Canada LLP
Barristers and Solicitors. Expires June 7, 2016.

**Court File No. CV-12-9719-00CL**

***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 ELIZABETH CREARY
(Sworn July 4, 2014)

I, Elizabeth Creary of the City of Ottawa, in the Province of Ontario, **MAKE OATH AND SAY THAT:**

1. I am the Vice President and Assistant General Counsel of 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 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 (collectively, the "**Foreign Orders**") of the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Bankruptcy Court**") made in the Chapter 11 Cases (as defined below):

(a) *Final Order (A) Authorizing LP DIP Obligors To Obtain Second Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [U.S. Bankruptcy Court Docket no. 1614] (the "**Second Replacement LP DIP Order**");

(b) *Fourth 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* [U.S. Bankruptcy Court Docket no. 1580] (the "**Fifth Amended Cash Collateral Order**");

(c) *Fifth 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* [U.S. Bankruptcy Court Docket no.1615] (the "**Sixth Amended Cash Collateral Order**");

(d) *Order* Selecting *Mediator and Governing Mediation Procedure* [U.S. Bankruptcy Court Docket no.1557] (the "**Mediation Order**"); and

(e) *Order Scheduling Certain Hearing Dates And Establishing Deadlines In Connection With Chapter 11 Plan Process And Subordination Trial* [U.S. Bankruptcy Court Docket no. 1621] (the "**Fourth Amended Plan Confirmation Schedule Order**").

3. Copies of the Foreign Orders are attached to this my affidavit as **Exhibits 'A'-'E'** respectively.

## CORPORATE OVERVIEW

4. The Chapter 11 Debtors were collectively the first private satellite-communications company to offer mobile satellite services throughout North America,

initially using two geostationary satellites, as well as a portion of the electromagnetic spectrum known as the L-Band.

5. The Chapter 11 Debtors are in the process of building what was at the time of the filing the only 4th Generation Long Term Evolution ("**4G LTE**") open wireless broadband network that incorporates nationwide satellite coverage throughout North America and offers users, wherever they may be located, the speed, value and reliability of universal connectivity.

6. Through a unique wholesale business model, entities without their own wireless networks, or that have limited geographic coverage or spectrum, will be able to market and sell their own devices, applications and services at a competitive price using the Chapter 11 Debtors' 4G LTE network.

## BACKGROUND ON PROCEEDINGS

7. On May 14, 2012, the Chapter 11 Debtors commenced cases in the U.S. Bankruptcy Court by each filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 in the U.S. Bankruptcy Court.

8. On May 15, 2012, the chapter 11 cases were consolidated for procedural purposes only, to be jointly administered by the U.S. Bankruptcy Court under Case No. 12-12080 (SCC), the case number assigned to LightSquared Inc. (the "**Chapter 11 Cases**"). Other than the Chapter 11 Cases and these proceedings, there are no other foreign proceedings in respect of the Chapter 11 Debtors.

9. On May 15, 2012, the Honourable Justice Morawetz (as he then was) of the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**") granted an order providing certain interim relief to the Chapter 11 Debtors, including a stay of proceedings in respect of the Chapter 11 Debtors, the property and business of the Chapter 11 Debtors and the directors and officers of the Chapter 11 Debtors.

10. On May 15, 2012 and May 16, 2012, the U.S. Bankruptcy Court in the Chapter 11 Cases entered various "first day" orders, including an interim order authorizing LightSquared to act as the Foreign Representative of the Chapter 11 Debtors.

11. On May 18, 2012, the Honourable Justice Morawetz (as he then was) granted an Initial Recognition Order in these proceedings, which among other things: (i) recognized LightSquared as the "foreign representative" of the Chapter 11 Debtors; (ii) declared the consolidated proceedings of the jointly administered Chapter 11 Cases to be a "foreign main proceeding" pursuant to Part IV of the CCAA; and (iii) stayed all proceedings against the Chapter 11 Debtors.

12. On May 18, 2012, the Honourable Justice Morawetz also granted a Supplemental Order in these proceedings, which among other things: (i) appointed Alvarez & Marsal Canada Inc. as Information Officer in these proceedings (the "**Information Officer**"); (ii) stayed all claims and proceedings in respect of the Chapter 11 Debtors, the property and business of the Chapter 11 Debtors and the directors and officers of the Chapter 11 Debtors; (iii) granted a super-priority charge over the Chapter 11 Debtors' property, in favour of the Information Officer and its counsel, as security for their professional fees and disbursements incurred in respect of these proceedings; and (iv) recognized and enforced in Canada certain orders of the U.S. Bankruptcy Court in the Chapter 11 Cases, including the Interim Order Authorizing LightSquared LP to Act as Foreign Representative Pursuant to 11 U.S.C. § 1505.

13. On June 14, 2012, August 21, 2012, March 8, 2013, March 20, 2013, August 13, 2013, October 9, 2013, October 17, 2013, January 3, 2014 and February 26, 2014 the Canadian Court granted orders in these proceedings recognizing and enforcing in Canada certain additional orders of the U.S. Bankruptcy Court made in the Chapter 11 Cases;

14. In addition to the recognition orders referred to in the preceding paragraph, on February 5, 2014 the Canadian Court recognized and enforced in Canada certain orders of the U.S. Bankruptcy Court made in the Chapter 11 Cases, including:

(a) *Final* Order *(A) Authorizing LP DIP Obligors To Obtain Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [U.S. Bankruptcy Court Docket No. 1291] (the "**Initial LP DIP Order**"); and

(b) *Second 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* [U.S. Bankruptcy Court Docket No. 1292] (the "**Third Amended Cash Collateral Order**").

15. The Initial LP DIP Order provided for, among other things, the provision of certain superpriority senior secured priming postpetition financing by the LP DIP Lenders to the LP DIP Obligors through April 15, 2014 (the "**Initial LP DIP Facility**").

16. The Initial LP DIP Order together with the extensions under the Initial Cash Collateral Order[1] were intended to provide sufficient funds for the Chapter 11 Debtors to implement a comprehensive reorganization plan and conclude the Chapter 11 Cases. As described below, the process to achieve such a result is ongoing.

17. In December 2013, LightSquared, at the direction of the special committee of the boards of directors for LightSquared Inc. and LightSquared GP Inc., determined not to pursue confirmation of the first amended plan and cancelled the attendant sale and auction process.

18. On December 24, 2013, LightSquared filed the second amended plan, which contemplated a reorganization of LightSquared through the provision of new financing and equity investments from certain of LightSquared's existing stakeholders as well as third party investors.[2]

19. Beginning on January 9, 2014, the U.S. Bankruptcy Court held a trial on certain issues being litigated in the "Ergen Adversary Proceeding".[3]

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[1] 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* [U.S. Bankruptcy Court Docket No. 544] (as amended, the "**Initial Cash Collateral Order**")

[2] Those parties include (a) Fortress Investment Group, on behalf of its affiliates' funds and/or managed accounts, (b) Melody Capital Advisors, LLC and/or Melody NewCo, LLC, each on behalf of itself and its funds, (c) Harbinger Capital Partners, LLC or its designated affiliates, and (d) JPMorgan Chase & Co. or its designated affiliates.

[3] The proceedings commenced by the filing of a complaint against Charles W. Ergen, Echostar Corporation, DISH Network Corporation, L-Band Acquisition LLC, SPSO, SP Special

20. On February 14, 2014, LightSquared filed the *Debtors' Third Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [U.S. Bankruptcy Court Docket no. 1308] (as amended, modified, or supplemented, the "**Third Amended Plan**"), which, following a U.S. Bankruptcy Court approved solicitation process, was accepted by all creditors and holders of equity interests eligible to vote on the Plan, other than SP Special Opportunities, LLC, which voted to reject (and actively opposed confirmation of) the Third Amended Plan.

21. On February 26, 2014 and in relation to the Third Amended Plan, the Canadian Court recognized the *Order Approving (A) LightSquared's Third Amended Specific Disclosure Statement and (B) Shortened Time To Object to Confirmation of LightSquared's Third Amended Plan and Streamlined Re-solicitation Thereof.*

22. The process seeking to confirm the Third Amended Plan (the "**Third Amended Plan Confirmation Process**") has so far required two separate trials in order to bring all of the relevant facts to the U.S. Bankruptcy Court's attention.

## DEVELOPMENTS IN THE CHAPTER 11 CASES

### *CONFIRMATION HEARINGS*

23. Since the date of the last Canadian Court appearance (being April 11, 2014) the parties in the Chapter 11 Cases filed post-trial briefs, findings of fact, joinders and reply briefs related to the Third Amended Plan Confirmation Process and the Ergen Adversary Proceeding.

24. The evidentiary portion of the Ergen Adversary Proceeding trial took place over a five day period, and concluded on March 17, 2014 following closing arguments.

25. On March 19, 2014, the U.S. Bankruptcy Court commenced the confirmation hearing for the Third Amended Plan (the "**Third Amended Plan Confirmation Hearings**"). The evidentiary portion of the Third Amended Plan Confirmation Hearings

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Opportunities Holdings LLC, Sound Point Capital Management LP, and Stephen Ketchum, and is captioned as Adversary Proceeding No. 13-01390-SCC.

concluded on March 31, 2014, and closing arguments took place on May 5 and May 6, 2014.

26. On May 8, 2014, Judge Chapman of the U.S. Bankruptcy Court issued a bench ruling with respect to the Ergen Adversary Proceeding, finding, among other things, that the defendants in such proceeding engaged in misconduct warranting equitable subordination in an amount to be determined at a later stage.

27. Also on May 8, 2014, Judge Chapman (a) issued a bench decision denying confirmation of the Third Amended Plan, (b) directed that the parties work to reach a consensual resolution on a reorganization path, taking into account the U.S. Bankruptcy Court's findings with respect to both plan confirmation and the Ergen Adversary Proceeding, and (c) imposed a deadline of May 27, 2014 to reach any such resolution, absent which the U.S. Bankruptcy Court would appoint the Honorable Robert D. Drain, United States Bankruptcy Judge for the Southern District of New York, (the "**Mediator**") as a mediator.

***MEDIATION***

28. Following Judge Chapman's May 8, 2014 bench decisions, the U.S. Bankruptcy Court held a status conference on May 27, 2014, at which time the parties informed the U.S. Bankruptcy Court that no resolution had been reached. Accordingly, on May 28, 2014, the U.S. Bankruptcy Court entered the Mediation Order.

29. Pursuant to the Mediation Order, the Mediator was authorized by the U.S. Bankruptcy Court to mediate any issues concerning, among other things, the terms of a plan or plans of reorganization for the Debtors, including the following disputes:

(a) the amount of equitable subordination of the claim of SP Special Opportunities LLC ("**SPSO**" and the "**SPSO Claim**" respectively) and the classification and treatment of the SPSO Claim in a plan of reorganization;

(b) the allocation of estate value among the various constituencies and the structure of a plan or plans of reorganization for the Debtors;

(c) certain other plan confirmation or other issues appropriate for mediation, as determined by the parties to the mediation and the Mediator.

30. The mediation consisted of three day-long mediation sessions, on June 9, 17 and 23, 2014.

31. On June 27, 2014 the Mediator issued a memorandum (the "**Mediator's Memorandum**") that provided that "[w]ith the exception of one party, all of the parties to the mediation have agreed on the key business terms of a chapter 11 plan for the debtors that should be confirmable without the support of the one party, SPSO, which has not agreed". The Mediator's Memorandum is attached to this my affidavit as **Exhibit "F"**.

32. As the Mediation Order also impacts the Canadian assets of the Chapter 11 Debtors, the Foreign Representative respectfully request that the Canadian Court recognize the Mediation Order as the terms and conditions contained in such Order is in the best interests of the Chapter 11 Debtors' stakeholders.

***SCHEDULING***

33. On July, 1 and 2, 2014 the U.S. Bankruptcy Court held a status hearing during which the parties agreed to the proposed schedule in respect of what is expected to be the Debtors' Fourth Amended Joint Plan to Chapter 11 of Bankruptcy Code (the "**Fourth Amended Plan**"). The Fourth Amended Plan is estimated to be filed with the U.S. Bankruptcy Court by mid-July 2014.

34. On July 3, 2014, the U.S. Bankruptcy Court issued the Fourth Amended Plan Confirmation Schedule Order.

35. The timeline established under the Fourth Amended Plan Confirmation Schedule Order:

(a) provides a streamlined and orderly process (the "**Fourth Amended Plan Confirmation Process**") that allows all issues arising to be litigated and

considered by the U.S. Bankruptcy Court, thereby preserving the rights of all stakeholders;

(b) is fair in the circumstances, providing stakeholders with ample notice and time to understand and participate in the plan process;

(c) is expeditious and appropriate in the circumstances and does not result in unnecessary delays; and

(d) minimizes restructuring costs, thereby maximizing value for the benefit of all stakeholders.

36. To my knowledge, no party has appealed the Fourth Amended Plan Confirmation Schedule Order in the Chapter 11 Cases.

37. The Foreign Representitive thus respectfully request that the Canadian Court recognize the Fourth Amended Plan Confirmation Schedule Order, as the terms and conditions contained in the Fourth Amended Plan Confirmation Schedule Order are fair and reasonable and in the best interests of the Chapter 11 Debtors' estates and creditors, and thus the Foreign Representative requests to have the Fourth Amended Plan Confirmation Schedule Order recognized.

***FINANCING MATTERS***

38. 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 (collectively, the "**Prepetition LP Parent Guarantors**"), the subsidiary guarantors party thereto (collectively, the "**Prepetition LP Subsidiary Guarantors**" and, collectively with LightSquared LP and the Prepetition LP Parent Guarantors, the "**LP Obligors**"), the lenders party thereto (the "**Prepetition LP Lenders**"), and UBS AG, Stamford Branch, as administrative agent (in such capacity, and together with Wilmington Trust FSB, the "**Prepetition LP Agent**"), under which the Prepetition LP Lenders provided term loans

in the aggregate principal amount of $1,500,000,000 (the "**Prepetition LP Credit Facility**").

39. As previously advised, the Chapter 11 Debtors required additional funds to carry them through to the date an order is entered confirming any chapter 11 plan(s). The Chapter 11 Debtors agreed to obtain replacement postpetition financing (the "**Replacement DIP Facility**") for the estates of the LP DIP Obligors (as defined below) with financing to be provided by certain members of the ad hoc group of Prepetition LP Lenders, including Capital Research and Management Company, and Cyrus Capital Partners, L.P., on behalf of its affiliates' managed funds and/or accounts, as well as by Intermarket Corp., as well as by Solus Alternative Asset Management LP, Fortress Credit Corp., on behalf of its affiliates' managed funds and/or accounts, fund entities managed by Aurelius Capital Management, LP, and SP Special Opportunities, LLC (each of the foregoing, an "**LP DIP Lender**" and, collectively, the "**LP DIP Lenders**").

40. On April 10, 2014, the U.S. Bankruptcy Court entered the following Orders:

(a) *Final Order (A) Authorizing LP DIP Obligors To Obtain Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [U.S. Bankruptcy Court Docket No. 1476] (the "**Replacement LP DIP Order**"); and

(b) *Third 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* [U.S. Bankruptcy Court Docket No. 1477 ] (the "**Fourth Amended Cash Collateral Order**").

41. The Replacement LP DIP Order and Fourth Amended Cash Collateral Order were recognized by the Canadian Court on April 11, 2014.

42. The LP Obligors have been funding their businesses through the use of the Prepetition LP Collateral (as defined in the Initial Cash Collateral Order), including Cash Collateral (as such term is defined in section 363 of the Bankruptcy Code (the "**Cash Collateral**")) and the proceeds of the Initial LP DIP Facility and subsequently the Replacement DIP Facility.

43. The Replacement LP DIP Facility was set to expire on June 15, 2014. However, pursuant to paragraph 17(i) of the Replacement LP DIP Order the Final Maturity Date (as such term is defined in the Replacement LP DIP Order) was permitted to be extended to June 30, 2014 without further order of the U.S. Bankruptcy Court.

44. On June 9, 2014 all of the LP DIP Lenders provided written consent to an extension of the Final Maturity Date from June 15, 2014 to June 30, 2014 and the *Notice Of Extension Of Final Maturity Date Under Replacement LP Dip Facility* [U.S. Bankruptcy Court Docket no. 1574] (the "**LP DIP Extension Notice**") was filed to reflect such extension.

45. A copy of the LP DIP Extension Notice is attached to this my Affidavit as **Exhibit 'G'**.

*Second Replacement LP DIP Order*

46. Given that the Fourth Amended Plan Confirmation Schedule in the Chapter 11 Cases is now contemplated to extend well past the Final Maturity Date specified by the previously recognised Replacement LP DIP Facility, the Chapter 11 Debtors require additional funds to carry them through to July 15, 2014. The current budget (the "**Budget**")[4] for the Chapter 11 Debtors shows that they require the funding to be made available pursuant to the Second Replacement LP DIP Facility (as defined below) until July 15, 2014.

47. Therefore, the Chapter 11 Debtors agreed to obtain further replacement postpetition financing for the estates of the LP DIP Obligors with financing to be

[4] The Budget is attached as Annex B of the Second Replacement LP DIP Order and Schedule 1 of the Sixth Amended Cash Collateral Order.

provided by certain members of the ad hoc group of Prepetition LP Lenders, including Capital Research and Management Company, and Cyrus Capital Partners, L.P., on behalf of its affiliates' managed funds and/or accounts, as well as by Intermarket Corp., as well as by Solus Alternative Asset Management LP, Fortress Credit Corp., on behalf of its affiliates' managed funds and/or accounts, fund entities managed by Aurelius Capital Management, LP, and SP Special Opportunities, LLC (each of the foregoing, an "**LP DIP Lender**" and, collectively, the "**LP DIP Lenders**").

48. On June 26, 2014, the Chapter 11 Debtors filed the *Notice of (I) Presentment of Final Order (A) Authorizing LP DIP Obligors To Obtain Second Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens And Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, And (D) Modifying Automatic Stay* in connection with the agreed upon replacement DIP financing facility (the "**Second Replacement LP DIP Facility**") to be provided by the LP DIP Lenders.

49. Each of the LP DIP Obligors (as defined in the Initial LP DIP Order) and the LP DIP Lenders under the Replacement DIP Facility have consented to the entry of the Second Replacement LP DIP Order and the Second Replacement LP DIP Facility, the proceeds of which shall be used to (i) pay in full all LP DIP Obligations under (and as defined in) the Replacement LP DIP Facility and the Replacement LP DIP Order, (ii) finance the general corporate and working capital needs of the LP DIP Obligors (and other purposes described in paragraph 3(a) of the Second Replacement LP DIP Order) through the Final Maturity Date (as defined in the Second Replacement LP DIP Order) and (iii) pay the LP DIP Professional Fees (as defined in the Second Replacement LP DIP Order).

50. On June 30, 2014, the Second Replacement LP DIP Order was granted by the U.S. Bankruptcy Court. As a condition subsequent to the Second Replacement LP DIP Order, the DIP Lenders required that the LP DIP Obligors obtain the Canadian Court's recognition of the Second Replacement LP DIP Order by no later than July 10, 2014.

51. Save for the term (ie. the Final Maturity Date being extended from June 30, 2014 to July 15, 2014), the terms of the Second Replacement LP DIP Order are

substantially the same as the terms set forth in the Replacement LP DIP Order, which was recognized by the Canadian Court on April 11, 2014.

52. The ability of the Chapter 11 Debtors to ensure a value-maximizing exit from the Chapter 11 Cases requires the availability of capital from the Second Replacement LP DIP Facility. Without such funds, the Chapter 11 Debtors will not have sufficient available sources of capital and financing to operate its businesses and maintain its properties in the ordinary course of business.

53. In summary, the Second Replacement LP DIP Order will provide the LP DIP Obligors with $76,323,253 of financing through July 15, 2014. As the Fourth Amended Plan Confirmation Process is set to extend into the fall of 2014, the Foreign Representative anticipates obtaining further time in front of the Canadian Court on July 15, 2014 seeking recognition of further DIP arrangements to cover the period of July 15, 2014 to September 30, 2014.

54. To prevent the unfettered use of the proceeds of the Second Replacement LP DIP Facility, the LP DIP Obligors have agreed to use such proceeds in accordance with the Budget developed by the LP DIP Obligors and their financial advisors. The LP DIP Obligors believe that the Budget is achievable and will allow the LP DIP Obligors to operate without the accrual of unpaid administrative expenses.

55. In the absence of the availability of the Second Replacement LP DIP Facility serious and irreparable harm to the LP Debtors and their estates and creditors would occur. Further, any remaining possibility for confirmation of a chapter 11 plan would be at severe risk in the absence of the availability of funds in accordance with the terms of the Second Replacement LP DIP Order.

56. The Foreign Representative thus respectfully request that the Court recognize the Second Replacement LP DIP Order, as the terms and conditions contained in the Second Replacement LP DIP Order are fair and reasonable and in the best interests of the LP Obligors' estates and creditors.

*Cash Collateral Extension Order*

57. In connection with the Second Replacement LP DIP Facility the LP Obligors also required continued authorization from the U.S. Bankruptcy Court to use the Cash Collateral of the Prepetition LP Lenders. Such relief is necessary to ensure that the LP Obligors can (i) address working capital needs, (ii) fund reorganization efforts and (iii) continue to operate in the ordinary course during the Chapter 11 Cases.

58. Pursuant to the Fourth Amended Cash Collateral Order, the LP Obligors were consensually permitted to use the Prepetition LP Lenders' Cash Collateral through June 15, 2014. Such date was previously recognized by the Canadian Court on April 11, 2014 being the date upon which the Canadian Court recognized the Fourth Amended Cash Collateral Order.

59. As a result of the continuing nature of the Chapter 11 Cases, the Chapter 11 Debtors engaged in discussions with the Prepetition LP Lenders with respect to additional extensions and, upon agreement among the parties, the U.S. Bankruptcy Court entered the Fifth Amended Cash Collateral Order and the Sixth Amended Cash Collateral Order.

60. Under the Fifth Amended Cash Collateral Order granted by the U.S. Bankruptcy Court on June 13, 2014, the Chapter 11 Debtors were permitted to use the Prepetition LP Lenders' Collateral through June 30, 2014.

61. Under the Sixth Amended Cash Collateral Order granted by the U.S. Bankruptcy Court on June 30, 2014, the Chapter 11 Debtors were permitted to use the Prepetition LP Lenders' Collateral through July 15, 2014.

62. The Foreign Representative thus respectfully request that the Canadian Court recognize the Fifth Amended Cash Collateral Order and the Sixth Amended Cash Collateral Order, as the terms and conditions contained in those Orders are fair and reasonable and in the best interests of the LP Obligors' estates and creditors.

**SUMMARY**

63. The secured creditors registered against the Canadian Chapter 11 Debtor entities are being given notice of the motion.

64. As a result, the Foreign Representative is requesting that the Canadian Court recognize in Canada and enforce the Second Replacement LP DIP Order, Fifth Amended Cash Collateral Order, the Sixth Amended Cash Collateral Order, the Mediation Order, and the Fourth Amended Plan Confirmation Schedule Order pursuant to Section 49 of the CCAA.

65. The Foreign Representative anticipates seeking further time in front of the Canadian Court on July 15, 2014 seeking recognition of further financing arrangements to cover the period of July 15, 2014 to September 30, 2014.

66. I make this affidavit in support of the motion of the Foreign Representative returnable July 8, 2014 and for no other or improper purpose.

**SWORN** before me in the City of Ottawa in the Province of Ontario this 4th day of July, 2014

Commissioner for Taking Affidavits, etc.

**Elizabeth Creamy**

Sandra Diana Wendy Kleinert,
a Commissioner, etc., Province of Ontario
for Dentons Canada LLP
Barristers and Solicitors. Expires June 7, 2016

Exhibit "F" to the Affidavit of Elizabeth Creary,
sworn before me this 29th day of January, 2015.

Commissioner for Taking Affidavits, etc.

Sandra Diana Wendy Kleinert,
a Commissioner, etc., Province of Ontario
for Dentons Canada LLP
Barristers and Solicitors. Expires June 7, 2016

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

| | | |
|---|---|---|
| In re: | ) | Chapter 11 |
| LIGHTSQUARED INC., *et al.*, | ) | Case No. 12-12080 (SCC) |
| Debtors.[1] | ) | Jointly Administered |

# SECOND AMENDED SPECIFIC DISCLOSURE STATEMENT FOR SECOND AMENDED JOINT PLAN PURSUANT TO CHAPTER 11 OF BANKRUPTCY CODE

- Voting Record Date: [_____]
- Voting Deadline: [January 26], 2015, at 4:00 p.m. (prevailing Pacific time)
- Plan Objection Deadline: [February 10], 2015, at 4:00 p.m. (prevailing Eastern time)
- Confirmation Hearing: [February 23], 2015, at [10:00 a.m.] (prevailing Eastern time)

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Dated: New York, New York
January 15, 2015

[1] The Debtors in these Chapter 11 Cases (as defined below), 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 LightSquared's corporate headquarters is 10802 Parkridge Boulevard, Reston, VA 20191.

**THIS IS NOT A SOLICITATION FOR ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THE DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL TO THE BANKRUPTCY COURT AND HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT AT THIS TIME.**

**THE DEADLINE TO ACCEPT OR REJECT THE PLAN IS [JANUARY 26], 2015 AT 4:00 P.M. (PREVAILING PACIFIC TIME) (THE "VOTING DEADLINE"). TO BE COUNTED, BALLOTS MUST BE RECEIVED BY KURTZMAN CARSON CONSULTANTS LLC, LIGHTSQUARED'S NOTICE, CLAIMS, SOLICITATION, AND BALLOTING AGENT ("KCC" OR THE "CLAIMS AND SOLICITATION AGENT"), NO LATER THAN THE VOTING DEADLINE.**

THE STATEMENTS CONTAINED IN THIS SECOND AMENDED SPECIFIC DISCLOSURE STATEMENT (THE "SPECIFIC DISCLOSURE STATEMENT") FOR THE *SECOND AMENDED JOINT PLAN PURSUANT TO CHAPTER 11 OF BANKRUPTCY CODE* (ATTACHED HERETO AS EXHIBIT A AND, AS THE SAME MAY BE AMENDED FROM TIME TO TIME IN ACCORDANCE THEREWITH, THE "PLAN"),[2] FOR LIGHTSQUARED INC., LIGHTSQUARED LP, AND CERTAIN OF THEIR AFFILIATES, AS DEBTORS AND DEBTORS IN POSSESSION (COLLECTIVELY, "LIGHTSQUARED" OR THE "DEBTORS") IN THE ABOVE-CAPTIONED CHAPTER 11 CASES (THE "CHAPTER 11 CASES"), ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER SUCH DATE. THE DELIVERY OF THE SPECIFIC DISCLOSURE STATEMENT AFTER THE DATE HEREOF DOES NOT IMPLY THAT THERE HAS BEEN NO CHANGE IN INFORMATION SET FORTH HEREIN. THE PLAN PROPONENTS HAVE NO DUTY TO UPDATE THE SPECIFIC DISCLOSURE STATEMENT UNLESS OTHERWISE ORDERED TO DO SO BY THE BANKRUPTCY COURT. THIS SPECIFIC DISCLOSURE STATEMENT SUPERSEDES ALL PRIOR SPECIFIC DISCLOSURE STATEMENTS FILED BY ANY OF THE PLAN PROPONENTS.

THE PLAN IS A JOINT PLAN FOR ALL OF THE DEBTORS PREMISED ON THE COMBINATION OF THE ASSETS OF THE INC. DEBTORS (EXCLUDING EACH REORGANIZED INC. ENTITY'S TAX ATTRIBUTES AND DIRECT OR INDIRECT EQUITY INTERESTS IN ONE DOT FOUR CORP., SKYTERRA ROLLUP LLC, SKYTERRA ROLLUP SUB LLC, TMI COMMUNICATIONS DELAWARE, LIMITED PARTNERSHIP, LIGHTSQUARED INVESTORS HOLDINGS INC., AND SKYTERRA INVESTORS LLC, WHICH SHALL BE REINSTATED AND RETAINED BY SUCH REORGANIZED INC. ENTITIES) WITH AND INTO LIGHTSQUARED LP IN CONSIDERATION FOR NEW LIGHTSQUARED DISTRIBUTING CERTAIN CONSIDERATION.

[2] Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Plan.

THE SPECIFIC DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN. PLEASE READ THIS DOCUMENT WITH CARE. THE PURPOSE OF THE SPECIFIC DISCLOSURE STATEMENT, TAKEN TOGETHER WITH THE FIRST AMENDED GENERAL DISCLOSURE STATEMENT [DOCKET NO. 918] (AS MAY BE AMENDED OR SUPPLEMENTED, THE "GENERAL DISCLOSURE STATEMENT" AND, TOGETHER WITH THE SPECIFIC DISCLOSURE STATEMENT, THE "DISCLOSURE STATEMENT"), IS TO PROVIDE "ADEQUATE INFORMATION" OF A KIND, AND IN SUFFICIENT DETAIL, AS FAR AS IS REASONABLY PRACTICABLE IN LIGHT OF THE NATURE AND HISTORY OF LIGHTSQUARED AND THE CONDITION OF LIGHTSQUARED'S BOOKS AND RECORDS, THAT WOULD ENABLE A HYPOTHETICAL, REASONABLE INVESTOR TYPICAL OF HOLDERS OF CLAIMS OR EQUITY INTERESTS OF THE RELEVANT CLASS TO MAKE AN INFORMED JUDGMENT CONCERNING THE PLAN. SEE 11 U.S.C. § 1125(a).

THE PURPOSE OF THE SPECIFIC DISCLOSURE STATEMENT IS TO PROVIDE (A) INFORMATION CONCERNING THE PLAN, (B) INFORMATION FOR HOLDERS OF CLAIMS OR EQUITY INTERESTS REGARDING THEIR TREATMENT UNDER THE PLAN, AND (C) INFORMATION TO ASSIST THE BANKRUPTCY COURT IN DETERMINING WHETHER THE PLAN COMPLIES WITH THE PROVISIONS OF CHAPTER 11 OF TITLE 11 OF THE UNITED STATES CODE, 11 U.S.C. §§ 101–1532 (AS AMENDED, THE "BANKRUPTCY CODE"), AND SHOULD BE CONFIRMED.

FOR THE CONVENIENCE OF HOLDERS OF CLAIMS OR EQUITY INTERESTS, THE SPECIFIC DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THE SPECIFIC DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, OTHER EXHIBITS ATTACHED TO THE PLAN, AND THE PLAN SUPPLEMENT. IF ANY INCONSISTENCY EXISTS AMONG THE PLAN, THE GENERAL DISCLOSURE STATEMENT, AND THE SPECIFIC DISCLOSURE STATEMENT, THE TERMS OF THE PLAN ARE CONTROLLING.

EXCEPT AS OTHERWISE STATED IN THIS SPECIFIC DISCLOSURE STATEMENT, HOLDERS OF CLAIMS OR EQUITY INTERESTS SHOULD REFER TO THE GENERAL DISCLOSURE STATEMENT FOR RELEVANT INFORMATION REGARDING THE HISTORY OF LIGHTSQUARED, ITS BUSINESSES, EVENTS IN THE RESTRUCTURING OF LIGHTSQUARED, PROCEDURES REGARDING THE SOLICITATION AND CONFIRMATION OF THE PLAN, AND THE CHAPTER 11 CASES.

NO REPRESENTATIONS CONCERNING LIGHTSQUARED'S FINANCIAL CONDITION OR ANY ASPECT OF THE PLAN ARE AUTHORIZED BY LIGHTSQUARED OTHER THAN AS SET FORTH IN THE DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS). ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OR REJECTION OF THE PLAN OTHER THAN AS CONTAINED IN, OR INCLUDED WITH, THE DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND

OTHER ACCOMPANYING DOCUMENTS) SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION.

ALL HOLDERS OF CLAIMS OR EQUITY INTERESTS ARE ADVISED AND ENCOURAGED TO READ THE GENERAL AND SPECIFIC DISCLOSURE STATEMENTS (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS) AND THE PLAN IN THEIR ENTIRETY. ALL HOLDERS OF CLAIMS OR EQUITY INTERESTS ENTITLED TO VOTE ON THE PLAN SHOULD READ CAREFULLY AND CONSIDER FULLY THE "PLAN-RELATED RISK FACTORS TO CONFIRMING AND CONSUMMATING PLAN" SECTION HEREOF BEFORE VOTING FOR OR AGAINST THE PLAN. **SEE ARTICLE V HEREOF, "PLAN-RELATED RISK FACTORS TO CONFIRMING AND CONSUMMATING PLAN."**

THE DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016(B) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-BANKRUPTCY LAW. PERSONS OR ENTITIES TRADING IN, OR OTHERWISE PURCHASING, SELLING, OR TRANSFERRING SECURITIES OF LIGHTSQUARED, IF ANY, SHOULD NOT RELY UPON THE DISCLOSURE STATEMENT FOR SUCH PURPOSES AND SHOULD EVALUATE THE DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

THE DISCLOSURE STATEMENT HAS NOT BEEN REVIEWED, APPROVED, OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), AND THE SEC HAS NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE. NEITHER THE SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN NOR THE DISCLOSURE STATEMENT CONSTITUTES AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY, SECURITIES IN ANY STATE OR JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED.

THE SPECIFIC DISCLOSURE STATEMENT SUMMARIZES CERTAIN PROVISIONS OF THE PLAN, STATUTORY PROVISIONS, DOCUMENTS RELATING TO THE PLAN, AND FINANCIAL INFORMATION. ALTHOUGH THE PLAN PROPONENTS BELIEVE THAT THE PLAN AND RELATED DOCUMENT SUMMARIES ARE FAIR AND ACCURATE, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS. FACTUAL INFORMATION CONTAINED IN THE SPECIFIC DISCLOSURE STATEMENT HAS BEEN PROVIDED BY LIGHTSQUARED'S MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE PLAN PROPONENTS ARE UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING THE FINANCIAL INFORMATION, IS WITHOUT INACCURACY OR OMISSION.

THE PLAN CONTAINS CERTAIN RELEASE, INJUNCTION, AND EXCULPATION PROVISIONS. **SEE ARTICLE VIII OF THE PLAN, "SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS."**

THE PLAN, THE TRANSACTIONS CONTEMPLATED BY THE PLAN, AND THE PLAN DOCUMENTS, AND AMENDMENTS OR MODIFICATIONS THERETO, ARE SUBJECT TO CERTAIN CONSENT AND APPROVAL RIGHTS THAT ARE NOT SPECIFICALLY SET FORTH IN THIS SPECIFIC DISCLOSURE STATEMENT, INCLUDING THOSE SET FORTH IN ARTICLES I, IX, AND X OF THE PLAN AND IN THE PLAN SUPPORT AGREEMENT.

THE INFORMATION CONTAINED IN THE SPECIFIC DISCLOSURE STATEMENT IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES, AND CONFIRMATION, OF THE PLAN AND MAY NOT BE RELIED UPON FOR ANY OTHER PURPOSE THAN TO DETERMINE HOW TO VOTE ON THE PLAN. HOLDERS OF CLAIMS OR EQUITY INTERESTS ENTITLED TO VOTE ON THE PLAN MUST RELY ON THEIR OWN EVALUATIONS OF LIGHTSQUARED AND THEIR OWN ANALYSES OF THE TERMS OF THE PLAN, INCLUDING, WITHOUT LIMITATION, ANY RISK FACTORS CITED HEREIN, IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN. THE DESCRIPTIONS SET FORTH HEREIN OF THE ACTIONS, CONCLUSIONS, OR RECOMMENDATIONS OF LIGHTSQUARED OR ANY OTHER PARTY IN INTEREST HAVE BEEN SUBMITTED TO, OR APPROVED BY, SUCH PARTY, BUT NO SUCH PARTY MAKES ANY REPRESENTATION REGARDING SUCH DESCRIPTIONS. NOTHING CONTAINED IN THE SPECIFIC DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS) SHALL CONSTITUTE, OR BE CONSTRUED AS, AN ADMISSION OF ANY FACT, LIABILITY, STIPULATION, OR WAIVER, AND FOR PURPOSES OF ANY CONTESTED MATTER, ADVERSARY PROCEEDING, OR OTHER PENDING OR THREATENED ACTION, THE CONTENTS HEREOF SHALL CONSTITUTE STATEMENTS MADE IN FURTHERANCE OF SETTLEMENT NEGOTIATIONS AND SHALL BE SUBJECT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND ANY SIMILAR RULE OR STATUTE. THE SPECIFIC DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS) SHALL NOT BE ADMISSIBLE IN ANY PROCEEDING (OTHER THAN THE CHAPTER 11 CASES) INVOLVING LIGHTSQUARED OR ANY OTHER PARTY, NOR SHALL IT BE CONSTRUED TO BE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, LIGHTSQUARED. EACH HOLDER OF A CLAIM OR EQUITY INTEREST SHOULD CONSULT ITS OWN COUNSEL OR TAX ADVISOR ON ANY QUESTIONS OR CONCERNS RESPECTING TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN ON HOLDERS OF CLAIMS OR EQUITY INTERESTS.

TAX DISCUSSIONS CONTAINED IN THE SPECIFIC DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS) ARE NOT INTENDED OR WRITTEN TO BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE TAX CODE. TAX DISCUSSIONS CONTAINED IN THE SPECIFIC DISCLOSURE STATEMENT

(INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS) ARE WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THE SPECIFIC DISCLOSURE STATEMENT. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

THE PLAN PROPONENTS PRESENTLY INTEND TO CONSUMMATE THE PLAN AS PROMPTLY AS POSSIBLE. THERE CAN BE NO ASSURANCE, HOWEVER, AS TO WHEN AND WHETHER CONFIRMATION OF THE PLAN AND THE EFFECTIVE DATE OF THE PLAN ACTUALLY WILL OCCUR. PROCEDURES FOR DISTRIBUTIONS UNDER THE PLAN, INCLUDING MATTERS THAT ARE EXPECTED TO AFFECT THE TIMING OF THE RECEIPT OF DISTRIBUTIONS BY HOLDERS OF CLAIMS OR EQUITY INTERESTS IN CERTAIN CLASSES AND THAT COULD AFFECT THE AMOUNT OF DISTRIBUTIONS ULTIMATELY RECEIVED BY SUCH HOLDERS, ARE DESCRIBED IN THE PLAN.

**THE PLAN PROPONENTS URGE ALL HOLDERS OF CLAIMS OR EQUITY INTERESTS ENTITLED TO VOTE ON THE PLAN TO VOTE TO ACCEPT THE PLAN.**

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## EXHIBITS

**Exhibit A** Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code

**Exhibit B** Treatment of Claims Chart

**Exhibit C** Projections

**Exhibit D** Liquidation Analysis

# ARTICLE I
# INTRODUCTION

The Plan Proponents hereby submit this Specific Disclosure Statement in connection with the (a) solicitation of votes to accept or reject the Plan and (b) hearing to consider confirmation of the Plan.

The purpose of the Specific Disclosure Statement is to set forth certain information specific to the Plan concerning, among other things, the (a) terms, provisions, and implications of the Plan and (b) holders of Claims against, and Equity Interests in, the Debtors (collectively, the "Holders") and their rights under the Plan. The Specific Disclosure Statement does **not** contain disclosures that are by their nature generally applicable to any chapter 11 plan that may be proposed in the Chapter 11 Cases. Such generally applicable disclosures are set forth in the General Disclosure Statement, which provides, among other things, information concerning the history of LightSquared, a description of its businesses, operations, and capital structure, events leading up to the Chapter 11 Cases and the proceedings before the Canadian Court, and significant events occurring in the Chapter 11 Cases (as supplemented hereby).

Altogether, the Disclosure Statement provides certain information, as required under section 1125 of the Bankruptcy Code, to the Holders who will have the right to vote on the Plan, so that such Holders can make informed decisions in doing so. While the Specific Disclosure Statement includes a summary of the terms of the Plan for the convenience of the Holders, such summary is qualified in its entirety by reference to the Plan.[3]

Accordingly, for a complete understanding of the Plan, the Holders who have the right to vote on the Plan are advised and encouraged to read, **in their entirety**, the Plan, the Specific Disclosure Statement, and the General Disclosure Statement.

## A. Overview of Plan

### 1. Path to Value-Maximizing Transaction

The Debtors have consistently expressed their view that resolution of the pending FCC proceedings will maximize the value of the Debtors' Assets and, accordingly, the Debtors continue their efforts with the FCC and other federal agencies in seeking approval of their pending license modification applications and related proceedings before the FCC. A detailed description of LightSquared's restructuring efforts, including its attempts to resolve the pending FCC proceedings, is provided in Article III.F of the General Disclosure Statement, entitled "**Restructuring Efforts.**" A detailed description of the current status of the FCC process is provided in Article III.F.1 of the General Disclosure Statement, entitled "**Current Status of FCC Process.**"

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[3] If any inconsistency exists between (a) the Plan, on the one hand, and (b) the Specific Disclosure Statement or the General Disclosure Statement (or both), on the other hand, the terms of the Plan control. If any inconsistency exists between the Specific Disclosure Statement and the General Disclosure Statement, the Specific Disclosure Statement shall control.

As described further herein, the Plan Support Parties, which include substantially all key stakeholders in these Chapter 11 Cases, have worked closely to formulate a consensual means by which the Debtors may exit chapter 11 in an expeditious and efficient manner. Although numerous economic and legal obstacles, coupled with significant intercreditor disputes, stymied previous restructuring proposals, the Plan Support Parties have now reached agreement on a global reorganization transaction embodied in the Plan that provides a path for the Debtors to emerge from chapter 11. The Plan is the culmination of months of mediation and the Plan Support Parties' vigorous efforts and reflects a consensus among almost all parties in interest in the Chapter 11 Cases. The Plan Proponents and the JPM Investment Parties believe that the Plan is the best means currently available of achieving as much consensus as may be possible and maximizing value.

**2. Path to Plan**

**a. Sale Process Efforts and Related Plans**

During the early stages of the Chapter 11 Cases, in light of the ongoing FCC process and surrounding circumstances, the Debtors and other parties in interest undertook efforts to protect, preserve, and maximize the value of the Debtors' Assets through the filing of chapter 11 plans that contemplated a sale of the Estates' Assets. Specifically, on July 23, 2013, the LP Group filed a plan (the "LP Sale Plan") and related disclosure statement for the LP Debtors only, premised on the sale (the "LP Sale") of substantially all of the LP Debtors' Assets through a Bankruptcy Court-approved sale process [Docket Nos. 764 and 765]. L-Band Acquisition, LLC ("LBAC"), a wholly owned subsidiary of DISH Network Corporation ("DISH"), entered into an asset purchase agreement and plan support agreement (the "LBAC PSA"), pursuant to which LBAC served as the stalking horse bidder for the LP Sale with a bid of $2.22 billion in cash *plus* the assumption of certain material liabilities (the "LBAC Bid"). Notably, the funding of the cash portion of the purchase price was not conditioned on approval by the FCC or Industry Canada. The LBAC Bid was subject to the submission of higher or otherwise better bids at an auction (the "Auction") pursuant to Bankruptcy Court-approved bid procedures [Docket No. 892].

Thereafter, on August 30, 2013, LightSquared filed the *Debtors' Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 817] and subsequently filed on October 7, 2013, and commenced the solicitation of votes for, the *Debtors' First Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 919] (the "Debtors' First Amended Plan") that, among other things, contemplated the sale of substantially all of the Debtors' Assets. The Debtors' First Amended Plan provided for a sale of the Assets of all of the Debtors (i.e., the LP Debtors and the Inc. Debtors) and was not backed by a stalking horse bid.

Also on August 30, 2013, MAST and U.S. Bank National Association ("U.S. Bank") filed the *Chapter 11 Plan for One Dot Six Corp. Proposed by U.S. Bank National Association and MAST Capital Management, LLC* [Docket No. 823] (as amended, modified, or supplemented, the "One Dot Six Plan") that, among other things, contemplated the sale of One Dot Six Corp.'s Assets (the "One Dot Six Assets") through the Auction process. MAST Spectrum Acquisition Company LLC ("MSAC"), an entity formed by MAST, served as the stalking horse bidder for certain of the One Dot Six Assets with a bid consisting of (i) a credit bid of all of MAST's claims under the Inc. DIP Facility and $1 of its claims under the Prepetition

Inc. Facility and (ii) cash sufficient to pay in full all classes of claims receiving such treatment under the One Dot Six Plan. Under the One Dot Six Plan, the proceeds of the sale of the One Dot Six Assets were to be distributed to Holders of Claims against One Dot Six Corp.

As discussed in Article III.G of the General Disclosure Statement, entitled "**Special Committee**," on September 16, 17, and 27, 2013, LightSquared's board of directors appointed the Special Committee to, among other things, (i) oversee the potential sale of LightSquared's Assets in connection with any auction and sale process and (ii) evaluate potential restructuring plans or plans of reorganization filed by LightSquared or any other parties. In particular, the Special Committee was charged with weighing all of LightSquared's options for exiting chapter 11.

With the principal aim of maximizing value for all of LightSquared's stakeholders, LightSquared and its advisors vigorously marketed, and solicited bids for, all of LightSquared's Assets. In connection therewith, LightSquared and its advisors contacted approximately ninety (90) potential bidders, provided public information with respect to LightSquared to forty (40) such potential bidders, and, ultimately, signed nondisclosure agreements with seven (7) potential bidders. After engaging in such sale process and thoroughly marketing its Assets, however, LightSquared determined that an auction was not the appropriate forum to render a value-maximizing result for LightSquared's Estates. Indeed, there was limited interest in the Auction, and LightSquared ultimately only received conditional bids from parties already highly involved in the Chapter 11 Cases. Since no qualified bids were received from third parties outside of LightSquared's capital structure, after multiple adjournments of the Auction, LightSquared, at the direction of the Special Committee, ultimately determined not to hold the Bankruptcy Court-scheduled Auction for any of the Debtors' Assets [Docket Nos. 1086 and 1108].

Following the cancellation of the Auction for the One Dot Six Assets, on December 31, 2014, U.S. Bank and MAST filed the *Notice of Successful Bidder Under One Dot Six Plan for One Dot Six Assets* [Docket No. 1165], which designated MSAC as the winning bidder for the One Dot Six Assets and gave notice that U.S. Bank and MAST intended to seek approval of the sale of the One Dot Six Assets to MSAC and pursue confirmation of the One Dot Six Plan.

Following the cancellation of the Auction for the LP Debtors' Assets, on January 7, 2014, counsel for DISH and LBAC sent counsel for the LP Group a letter terminating the LBAC PSA, effective January 10, 2014, pursuant to Section 6.1(f)(1) of the LBAC PSA for failure to achieve certain contractual milestones. LBAC also subsequently purported to terminate the LBAC Bid. On January 13, 2014, the LP Group filed a statement challenging LBAC's termination of the LBAC Bid [Docket No. 1220]. On January 22, 2014, the Bankruptcy Court issued a ruling finding that the LBAC PSA and the LBAC Bid were lawfully terminated by LBAC. The LP Group has reserved its rights regarding this matter in all respects.

**b. Debtors' Second Amended Plan**

Although LightSquared did not receive any other qualified bids for its Assets, third parties expressed to LightSquared an interest in providing it with new debt financing and equity investments to further a reorganization. LightSquared and its advisors, at the direction of the Special Committee, worked with such third parties over the course of two (2) months to develop

an alternative plan of reorganization based on new financing and equity investments, subject to receipt of regulatory approvals, execution and delivery of commitment letters and definitive documentation, and satisfaction of various conditions.

As a result of such developments, LightSquared, at the direction of the Special Committee, modified and supplemented the Debtors' First Amended Plan. LightSquared initially filed, on December 24, 2013, the *Debtors' Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 1133] and subsequently filed, on December 31, 2013, the *Debtors' Revised Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 1166] (the "Debtors' Second Amended Plan") that contemplated a series of reorganization transactions.

**c. Debtors' Third Amended Plan, Ergen Adversary Proceeding, and Related Bankruptcy Court Rulings**

*(i) Debtors' Third Amended Plan*

After the filing of the Debtors' Second Amended Plan and the termination of the LBAC Bid, LightSquared, at the direction of the Special Committee, and the parties sponsoring such plan discussed modifications to the Debtors' Second Amended Plan to garner as much support as possible for LightSquared's reorganization. These discussions led to the filing of the *Debtors' Third Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 1482] (as modified or supplemented, the "Debtors' Third Amended Plan").

The Debtors' Third Amended Plan contemplated, among other things, raising over $1.65 billion in new debtor in possession financing and at least $1 billion in first lien exit financing, which would be used to satisfy certain claims against LightSquared and fund LightSquared's reorganization efforts. In addition, under the Debtors' Third Amended Plan, the reorganized Debtors were to issue various new debt and equity interests to satisfy certain Claims against, and Equity Interests in, the Debtors. The Debtors' Third Amended Plan was not conditioned on LightSquared's receipt of a series of FCC and related regulatory approvals with respect to terrestrial spectrum rights (e.g., the grant of the License Modification Application). Under the Debtors' Third Amended Plan, the regulatory conditions precedent were filings with, and approvals by, the FCC, Industry Canada, and other applicable governmental authorities (and the expiry of statutory waiting periods, including under the *Hart-Scott-Rodino Antitrust Improvements Act of 1976* and the *Competition Act* (Canada)) that would be necessary for LightSquared to emerge from chapter 11.

*(ii) Confirmation and Related Hearings, Ergen Adversary Proceeding, and Bankruptcy Court Rulings*

The Bankruptcy Court considered confirmation of the Debtors Third Amended Plan in tandem with the Ergen Adversary Proceeding and related litigation. As discussed in Article III.D.3 of the General Disclosure Statement, in the Ergen Adversary Proceeding, Harbinger and LightSquared (with the support of the LP Group) sought certain relief against Ergen, EchoStar Corporation ("EchoStar"), DISH, and SPSO (collectively, the "Ergen

Defendants") relating to such defendants' alleged conduct (A) with respect to acquiring Prepetition LP Facility Claims, (B) throughout the Chapter 11 Cases, and (C) in connection with LightSquared's restructuring efforts.

Beginning on January 9, 2014, the Bankruptcy Court held a trial on the Ergen Adversary Proceeding. The evidentiary portion of such trial took place over a five (5)-day period and, following post-trial briefing, concluded with closing arguments on March 17, 2014. On May 8, 2014, the Bankruptcy Court issued a bench ruling, finding, among other things, that SPSO engaged in misconduct warranting equitable subordination of its Claim under section 510(c) of the Bankruptcy Code in an amount to be determined in a separate hearing. The bench ruling was subsequently issued in publication form on June 10, 2014 [Adv. Proc. Docket No. 165] (the "Ergen Adversary Decision"). Between June 19, 2014 and June 24, 2014, Harbinger, the Ergen Parties, LightSquared, and the LP Group each filed notices of appeal with respect to the Ergen Adversary Decision [Adv. Proc. Docket Nos. 166, 170, 171, and 172], but subsequently agreed to stay the briefing on such appeals pending further developments in the Chapter 11 Cases. Such appeals are currently pending before the United States District Court for the Southern District of New York. LightSquared also filed and prosecuted *LightSquared's Motion for Entry of Order Designating Vote of SP Special Opportunities, LLC* [Docket No. 1371] (the "Designation Motion"), which sought entry of an order, pursuant to section 1126(e) of the Bankruptcy Code, designating the vote of SPSO to reject the Debtors' Third Amended Plan.

On March 19, 2014, the Bankruptcy Court commenced the confirmation hearing for the Debtors' Third Amended Plan. The evidentiary portion of such hearing concluded on March 31, 2014, and closing arguments took place on May 5 and 6, 2014. On May 8, 2014, the Bankruptcy Court (A) issued a bench decision denying confirmation of the Debtors' Third Amended Plan and the Designation Motion, (B) directed that the parties work to reach a consensual resolution on a reorganization path, taking into account the Bankruptcy Court's findings with respect to both plan confirmation and the Ergen Adversary Proceeding, and (C) imposed a deadline of May 27, 2014 to reach any such resolution, absent which the Bankruptcy Court would appoint a mediator. The bench ruling was subsequently issued in publication form on July 11, 2014 [Docket No. 1631] (the "Confirmation Decision").

The Bankruptcy Court held a status conference on May 27, 2014, at which time the parties informed the Bankruptcy Court that no resolution had been reached. Accordingly, on May 28, 2014, the Bankruptcy Court entered an order appointing as mediator the Honorable Robert D. Drain, United States Bankruptcy Judge for the Southern District of New York, to mediate any issues concerning, among other items, the terms of a chapter 11 plan or plans for the Debtors [Docket No. 1557] (the "Mediation Order").

**d. Initial Mediation**

Pursuant to the Mediation Order, Judge Drain conducted mediation sessions on June 9, 17, and 23, 2014. LightSquared, its key stakeholders, certain third parties, and each of their advisors participated in the mediation sessions, which focused on the key terms and issues underlying a potential global chapter 11 plan. Judge Drain and LightSquared also engaged the parties in numerous external discussions during this period.

On June 27, 2014, Judge Drain filed the *Mediator's Memorandum Under ¶¶ 14 and 15 of Mediation Order* [Docket No. 1612] (the "Mediator's Memorandum"), reporting, among other things, that, with the exception of SPSO, all parties to the mediation had reached agreement on key business terms that would form the basis of a new plan of reorganization. In the days following the Mediator's Memorandum, the parties continued to negotiate and refine the terms of their agreement with the goal of developing a chapter 11 plan that could be confirmed without the need for a lengthy confirmation hearing.

On July 14, 2014, Judge Drain filed the M*ediator's Supplemental Memorandum Under ¶¶ 14 and 15 of Mediation Order* [Docket No. 1640] (the "Mediator's Supplemental Memorandum"), stating that an agreement had been reached on the "key terms of SPSO/Ergen's treatment under a chapter 11 plan as well as new funding that is fundamentally consistent with the consensual plan terms previously negotiated by the other parties." (Mediator's Supplemental Memorandum at 2.) At a status conference held on July 14, 2014, LightSquared detailed the terms of such agreement and agreed to file a plan and disclosure statement by July 21, 2014.

Notwithstanding LightSquared's and all of the mediation parties' good faith efforts to negotiate and file a consensual plan by this time, the agreement reached during the initial mediation phase did not materialize into a chapter 11 plan. Thereafter, various competing plans and related pleadings were filed, as detailed below.

**e. Competing Plans, Related Documents, and Continued Mediation**

*(i) Initial Joint Plan*

On August 7, 2014, the Debtors and the LP Group filed the *Joint Plan Pursuant to Chapter 11 of Bankruptcy Code Proposed by Debtors and Ad Hoc Secured Group of LightSquared LP Lenders* [Docket No. 1686] (the "Joint Plan") and *Specific Disclosure Statement For Joint Plan Pursuant to Chapter 11 of Bankruptcy Code Proposed by Debtors and Ad Hoc Secured Group of LightSquared LP Lenders* [Docket No. 1689]. While the Joint Plan provided for the combined reorganization of the LP Debtor and the Inc. Debtor Estates, the Joint Plan also provided that if the Holders of Inc. Facility Non-Subordinated Claims voted to reject the Joint Plan, then the Joint Plan would be withdrawn with respect to all of the Inc. Debtors and only be prosecuted with respect to the LP Debtors.

At a status conference held on August 11, 2014, in response to certain statements by counsel for the Holders of Inc. Facility Non-Subordinated Claims that such Holders would not vote in favor of the Joint Plan, the Bankruptcy Court directed the proponents of the Joint Plan to file a version of the Joint Plan that provided for a reorganization of the LP Debtors only. As such, on August 15, 2014, the Debtors and the LP Group filed the *Notice of Filing of Exhibit to Joint Plan Pursuant to Chapter 11 of Bankruptcy Code Proposed by Debtors and Ad Hoc Secured Group of LightSquared LP Lenders* [Docket No. 1710], which included, as an exhibit, a plan of reorganization for the LP Debtors only (the "LP-Only Plan"). Subsequently, on August 26, 2014, the Debtors and the LP Group filed the *First Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code Proposed by Debtors and Ad Hoc Secured Group of LightSquared LP*

*Lenders* [Docket No. 1728] (the "First Amended Joint Plan") which included, as an exhibit, an amended LP-Only Plan (the "Amended LP-Only Plan").[4]

*(ii) Harbinger and MAST Plans; Estimation Motion*

On August 11, 2014, Harbinger filed *Harbinger Capital Partners LLC's Joint Plan of Reorganization for the Inc. Debtors Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 1696] (the "Harbinger Inc. Plan"), which provided for the reorganization of the Inc. Debtors only. The Harbinger Inc. Plan included as a condition precedent to confirmation thereof that LP Facility Guaranty Claims against the relevant Inc. Debtors be expunged or estimated at zero.

On August 19, 2014, the Prepetition Inc. Agent and MAST filed the *Second Amended Chapter 11 Plan for One Dot Six Corp. Proposed by U.S. Bank National Association and MAST Capital Management, LLC* [Docket No. 1714] (the "Amended One Dot Six Plan").

On September 11, 2014, Harbinger filed *Harbinger Capital Partners LLC's First Amended Joint Plan of Reorganization for the Inc. Debtors Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 1745] (the "First Amended Harbinger Inc. Plan"). The First Amended Harbinger Inc. Plan included, as an exhibit thereto, a plan support agreement (the "Inc. PSA") entered into among Harbinger, MAST, U.S. Bank, SIG, J.P. Morgan Securities LLC, with respect to only its Credit Trading Group, and Chase Lincoln First Commercial Corporation, with respect to only its Credit Trading Group, pursuant to which the parties thereto agreed to, among other things, (A) support the First Amended Harbinger Inc. Plan and (B) refrain from taking any action inconsistent with obtaining confirmation of the First Amended Harbinger Inc. Plan, subject to the terms of the Inc. PSA. The Inc. PSA provided for a Termination Event (as defined therein) if the First Amended Harbinger Inc. Plan was not confirmed by November 15, 2014.[5]

Following MAST's entry into the Inc. PSA, on September 12, 2014, MAST filed the *Notice of Adjournment of Hearing to Consider Confirmation of Second Amended Chapter 11 Plan for One Dot Six Corp. Proposed by U.S. Bank National Association and MAST Capital Management, LLC* [Docket No. 1746], which stated that the hearing to consider confirmation of the Amended One Dot Six Plan would be adjourned to a date to be determined, but no earlier than November 15, 2014.

Facing the several competing plans, and at the urging of the Bankruptcy Court, the parties agreed to continue mediation efforts to determine if there was a consensual path forward, including one that would keep the Inc. Debtors and LP Debtors together as a combined reorganized enterprise. In that regard, the parties agreed to attend a mediation session with Judge Drain on September 15, 2014.

On September 16, 2014, in connection with the First Amended Harbinger Inc. Plan and the condition precedent to confirmation contained therein regarding the LP Facility Guaranty Claims, Harbinger filed the *Notice of Motion and Harbinger's Motion To (A) Expunge the*

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[4] As discussed below, subsequent to the filing of the First Amended Joint Plan, MAST voted to reject the First Amended Joint Plan, which resulted in the withdrawal of the First Amended Joint Plan with respect to the Inc. Debtors.

[5] As discussed further below, the Inc. PSA is now terminated pursuant to its terms.

*Guaranty Claim Asserted by the LP Lenders (Claim No. 56) or, in the Alternative, (B) Estimate the Guaranty Claim at Zero Pursuant to 11 U.S.C. § 502(c)* [Docket No. 1752] (the "Estimation Motion"). In the Estimation Motion, Harbinger argued that the Prepetition LP Lenders' guaranty claims against LightSquared Inc. and other Inc. Debtor guarantors should be expunged because (A) the primary obligor should exercise its duty to discharge these Claims, (B) the value of the Assets of the LP Debtors exceeds the amount of the Prepetition LP Lenders' Claims, and (C) confirmation of a plan for the LP Debtors will discharge the Inc. Debtors from any liability under such claims. Harbinger additionally argued, in the alternative, that the Prepetition LP Lenders' guaranty claims should have been estimated at zero because (Y) the Bankruptcy Court has broad powers to estimate such claims at zero and (Z) such claims are unliquidated and contingent claims that are capable of estimation.

On September 29, 2014, Harbinger filed *Harbinger Capital Partners LLC's Second Amended Joint Plan of Reorganization for the Inc. Debtors Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 1780] (the "Second Amended Harbinger Inc. Plan").

On October 7, 2014, the LP Group filed the *Ad Hoc Secured Group of LightSquared LP Lenders' Objection to Harbinger's Motion To (A) Expunge the Guaranty Claim Asserted by the LP Lenders (Claim No. 56) or, in the Alternative, (B) Estimate the Guaranty Claim at Zero Pursuant to 11 U.S.C. § 502(C)* [Docket No. 1814], arguing, among other things, that (A) the Prepetition LP Lenders' guaranty claims are not subject to estimation, (B) there is no plan to pay the Prepetition LP Lenders anything if the Harbinger Inc. Plan is confirmed, (C) the Prepetition LP Lenders are entitled to assert the guaranty claims in full against the Inc. Debtor guarantors, (D) Harbinger's speculation regarding a full Prepetition LP Lender recovery in the future provides no grounds for expunging the guaranty claims, and (E) appropriate safeguards exist to prevent the Prepetition LP Lenders from receiving a windfall, including the Inc. Debtor guarantors' subrogation rights.

On October 8, 2014, the LP Group also filed the *Ad Hoc Secured Group of LightSquared LP Lenders' Objection to (I) Harbinger Capital Partners LLC's Second Amended Joint Plan of Reorganization for the Inc. Debtors Pursuant to Chapter 11 of the Bankruptcy Code and (II) Specific Disclosure Statement for the Joint Plan of Reorganization for LightSquared Inc. and Its Subsidiaries Proposed by Harbinger Capital Partners, LLC* [Docket No. 1825], arguing, among other things, that (A) the Second Amended Harbinger Inc. Plan is unconfirmable on its face because its condition precedent to confirmation related to the Estimation Motion cannot be met, (B) the Second Amended Harbinger Inc. Plan does not properly treat the Prepetition LP Lenders' guaranty claims despite offering them a recovery given that Holders of such claims are not classified or given the right to vote, (C) Harbinger lacks standing to file the Second Amended Harbinger Inc. Plan with respect to LightSquared Investors Holdings Inc. and TMI Communications Delaware, Limited Partnership, (D) the Second Amended Harbinger Inc. Plan was not proposed in good faith, (E) the Second Amended Harbinger Inc. Plan is not feasible, and (F) the Plan should be confirmed over the Second Amended Harbinger Inc. Plan.

The Debtors took no position on the confirmability of the Second Amended Harbinger Inc. Plan or the merits of the Estimation Motion.

*(iii) Amendment of First Amended Joint Plan*

Subsequent to filing the First Amended Joint Plan, MAST voted to reject the First Amended Joint Plan thereby resulting in the withdrawal of the First Amended Joint Plan with respect to the Inc. Debtors. In response, the LP Group determined that it would not proceed with the version of the Joint Plan that reorganized only the LP Debtors and that would, therefore, split the Inc. and LP estates.

On October 1, 2014, the LP Group (after having advised the Debtors and the Special Committee of its contents) filed the *Notice of the Ad Hoc Secured Group of LightSquared LP Lenders' Intent To (I) Amend the First Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code Proposed by Debtors and Ad Hoc Secured Group of LightSquared LP Lenders (the "Joint Plan"); (II) Withdraw the First Amended Joint Plan of LP Debtors Only Pursuant to Chapter 11 of Bankruptcy Code Proposed by LP Debtors and Ad Hoc Secured Group of LightSquared LP Lenders; and (III) Adjourn the Confirmation Hearing on the Joint Plan, as it Will Be Amended* [Docket No. 1788] (the "Notice of Intent To Amend Plan"). In the Notice of Intent To Amend Plan, the LP Group (A) expressed its belief that a plan of reorganization that keeps the Inc. Debtors' and the LP Debtors' Estates together as a joint enterprise is likely the best way to maximize value and/or reduce execution risk for all stakeholders and (B) provided notice of its intent to make substantive amendments to the First Amended Joint Plan and eliminate the option that would sever the Inc. Debtors from the First Amended Joint Plan.

On October 6, 2014, the LP Group filed the *Notice of Filing of Term Sheet Regarding Plan Amendments* [Docket No. 1803], which included, as an exhibit thereto, a term sheet for proposed amendments to the First Amended Joint Plan. That same day, LightSquared and its Special Committee filed a statement in which they, among other things, emphasized LightSquared's view of the importance and benefits of executing a combined estates transaction and identified certain of the material issues that LightSquared believed would be created with alternative transactions that severed the Estates [Docket No. 1801]. Following such filings, the Bankruptcy Court held a status conference on October 6, 2014. At the conclusion of the status conference, the Bankruptcy Court ordered all of the parties, including each of the parties to the Inc. PSA, to continue mediation before Judge Drain.

*(iv) Estimation Motion Decision*

Recognizing that resolution of the Estimation Motion was a predicate issue to confirmation of the Second Amended Harbinger Inc. Plan, the parties presented their legal arguments regarding the Estimation Motion at a hearing held on October 27, 2014.

On October 30, 2014, the Bankruptcy Court issued a ruling denying the Estimation Motion [Docket No. 1898] (the "Estimation Decision"). The Bankruptcy Court found that the Prepetition LP Lenders' guaranty claims are neither contingent nor unliquidated for estimation purposes. The Bankruptcy Court also found that, prior to actual satisfaction of the Prepetition LP Lenders' Claims under a confirmed/consummated plan or otherwise, the Prepetition LP Lenders' guaranty claim will remain intact and cannot be expunged.

The Estimation Decision rendered the Second Amended Harbinger Inc. Plan unconfirmable by its terms because the expungement or estimation at zero of the Prepetition LP Lenders' guaranty claims was a condition to confirmation. On November 13, 2014, Harbinger filed a notice of appeal of the Estimation Decision [Docket No. 1922].

On November 17, 2014, MAST and U.S. Bank delivered a written notice of termination of the Inc. PSA. On November 18, 2014 SIG, J.P. Morgan Securities LLC, with respect to only its Credit Trading Group, and Chase Lincoln First Commercial Corporation, likewise delivered a written notice of termination of the Inc. PSA. Accordingly, the Inc. PSA has been terminated by its terms.

*(v) Continued Mediation; Failed SPSO-Backed Plan*

At the urging of both the Bankruptcy Court and Judge Drain, the parties continued the mediation dialogue during this period. Additional mediation sessions were conducted on October 16, 22, and 31, 2014. Those discussions cumulated in the development of an agreement-in-principle among certain stakeholders (the "October Proposal"). The October Proposal contemplated, among other things, (A) the conversion of $300 million of the Prepetition LP Facility SPSO Claims into 60% of the common equity of the Reorganized Debtors (without any additional capital infusion from SPSO), (B) no recovery for Holders of Existing LP Common Units Equity Interests or Existing Inc. Common Units Equity Interests, (C) no recovery for Holders of Existing LP Preferred Units Equity Interests, and (D) prolonged litigation over the ownership and control of potential causes of action against the FCC and GPS Industry.

On November 3, 2014, Judge Drain filed the *Mediator's Second Supplemental Memorandum Under ¶¶ 14 and 15 of Mediation Order* [Docket No. 1903], in which he noted, among other things, that the continued mediation did not achieve "global" consensus, but that the mediation parties other than Harbinger had developed the October Proposal. That same day, Judge Chapman convened a status conference, during which the parties described the general terms of the October Proposal and noted that the parties were working to file a chapter 11 plan and related disclosure statement based on such proposal by early November 2014.

Despite four (4) weeks of efforts to file a plan and negotiate definitive documentation, SPSO was unable to secure any definitive agreement with certain of LightSquared's stakeholders around the October Proposal.

**3. New Global Plan of Reorganization**

*(i) Plan Support Agreement and Plan*

On December 10, 2014, Fortress, Centerbridge, Harbinger, and the JPM Investment Parties entered into a plan support agreement (the "Original Plan Support Agreement"), pursuant to which each party thereto agreed to support a plan of reorganization, which terms and conditions were subsequently set forth in the *Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 1982], to the exclusion of any other contemplated plan. Contemporaneously with the execution of the Original Plan Support Agreement, Fortress and Centerbridge purchased

the Prepetition LP Facility Claims then held by (a) Capital Research and Management Company, in its capacity as investment manager to certain funds that are holders of Prepetition LP Facility Claims, and (b) Cyrus Capital Partners, L.P., in its capacity as investment manager to certain funds that are holders of Prepetition LP Facility Claims.

On January 15, 2015, the Original Plan Support Agreement was amended and restated (as amended, modified, or supplemented, the "Plan Support Agreement") to, among other things, add MAST and the Prepetition Inc. Agent as Plan Support Parties. In addition, MAST entered into trade confirmations and participation agreements (the "Participation Agreements") with certain Plan Support Parties, pursuant to which such Plan Support Parties agreed to acquire participation interests in an aggregate amount equal to 50% of the Prepetition Inc. Facility Non-Subordinated Claims held by MAST. Pursuant to the Participation Agreements, among other things, MAST continues to retain exclusive voting rights with respect to all Prepetition Inc. Facility Non-Subordinated Claims. The Participation Agreements do not amend, abridge, or otherwise modify the rights or obligations of the parties to the JPM Inc. Facilities Claims Purchase Agreement.

The Plan is the product of months of mediation and significant negotiations and efforts by the various key constituents in the Chapter 11 Cases, as well as the mediator appointed by the Bankruptcy Court, to broker as much consensus as possible and enjoys the support of every major constituent in the Chapter 11 Cases other than SPSO. While LightSquared's stakeholders have always endeavored to develop a fully consensual resolution of the Chapter 11 Cases, following years of attempted negotiations (including over six (6) months of mediation), the Plan Proponents and the JPM Investment Parties now believe that global consensus, while still possible, is unlikely to materialize. Nevertheless, in an effort to foster a fully consensual restructuring, the Plan presents SPSO with the opportunity to provide its support for the Plan and related transactions in exchange for (a) the allowance in full of the asserted amount of the Prepetition LP Facility SPSO Claims and the Prepetition LP Facility SPSO Guaranty Claims, without the risk of equitable subordination or any other form of legal or equitable relief with respect to such Claims, (b) the withdrawal of the Appeal (i.e., the appeal of the Bankruptcy Court's June 19, 2014 decision with respect to the legal and/or equitable disallowance of the Prepetition LP Facility SPSO Claims), and (c) full releases and exculpations for SPSO and for any SPSO Affiliate that executes an SPSO Agreement (which includes a written agreement by such SPSO Party to support any and all transactions necessary for the Effective Date of the Plan to occur, including any regulatory approvals sought in connection therewith, and to not interfere with or compete with (by submitting a competing offer or otherwise) or otherwise contest any bid by the Debtors or by New LightSquared or its affiliates for the acquisition or allocation of NOAA Spectrum) and withdraws any objections filed by such SPSO Party in connection with the Plan or any Plan Transaction.

The Plan includes many positive attributes that will benefit LightSquared and all of its stakeholders. ***First***, the Plan is a joint plan for both the Inc. Estates and the LP Estates, which, as all parties have consistently acknowledged, is the best means to maximize value for the benefit of all Holders of Claims and Equity Interests. ***Second***, like the Debtors' Third Amended Plan, the Plan is premised on the provision of fresh capital from the New Investors in the form of new debtor in possession financing and equity infusions on the Effective Date. The Plan also contemplates a first lien exit financing facility of $1.25 billion. This construct will provide the

Debtors with the liquidity necessary to fund their operations through the Effective Date, as well as repay in full the Allowed DIP Inc. Claims and the Allowed DIP LP Claims. ***Third***, since Harbinger will contribute the Harbinger Litigations to New LightSquared as part of the negotiated settlement between Harbinger and the other Plan Proponents, the Plan eliminates the need for costly and lengthy litigation over the ownership and control of certain potential causes of action, including the actions commenced by Harbinger against the GPS Industry and the FCC. This is significant given that the Harbinger Litigations were the subject of mediation discussions and presented issues during previous plan-related discussions. ***Fourth***, as a material improvement compared to the Debtors' Third Amended Plan, the Plan provides SPSO with treatment that is identical to what is being provided to the Holders of the Prepetition LP Facility Non-SPSO Claims. Indeed, notwithstanding the findings made by the Bankruptcy Court in the Ergen Adversary Decision, the Plan Proponents have determined not to pursue equitable subordination of any portion of SPSO's claims. The Plan will instead satisfy, on the Effective Date, the asserted amount of the Prepetition LP Facility SPSO Claims in full with obligations under the Second Lien Exit Facility, subject, in the event that SPSO votes to reject the Plan, to any equitable or legal remedy previously sought and currently subject to the Appeal (other than equitable subordination). ***Fifth***, as with the Debtors' Third Amended Plan, effectiveness of the Plan is not conditioned on LightSquared's receipt of a series of FCC and related regulatory approvals with respect to terrestrial spectrum rights. ***Sixth***, the Plan provides for the purchase or payment in full, in cash of MAST's Prepetition Inc. Facility Non-Subordinated Claims and DIP Inc. Claims shortly following the Confirmation Date.

The following is an overview of the Plan. This overview is qualified in its entirety by reference to the full text of the Plan, which is attached to this Specific Disclosure Statement as Exhibit A.

**b. Summary of Plan Terms**

*(i) General Overview*

The Plan contemplates, among other things, (A) new money investments by the New Investors in exchange for a combination of preferred and common equity, (B) the conversion of the Prepetition LP Facility Claims (including those held by SPSO) into new second lien debt obligations, (C) SIG's purchase of the Prepetition Inc. Facility Non-Subordinated Claims for the Acquired Inc. Facility Claims Purchase Price and the conversion of the Acquired Inc. Facilities Claims into the Reorganized LightSquared Inc. Exit Facility, (D) the payment in full, in cash, of LightSquared's general unsecured claims, (E) the provision of $1.25 billion in new-money working capital for the Reorganized Debtors, (F) the assumption of certain liabilities, (G) the resolution of all inter-Estate disputes, and (H) as part of the negotiated settlement reached between Harbinger and the other Plan Proponents, the contribution by Harbinger of the Harbinger Litigations (i.e., its Claims and Causes of Action against the FCC and GPS Industry, the appeal of the Bankruptcy Court's rulings in connection with the Ergen Adversary Proceeding, the RICO action commenced against Ergen and certain of its Affiliates, and any other claims or causes of action in connection with the Debtors, their businesses, or any interest in the Debtors).

As mentioned above, the Plan is not conditioned on LightSquared's receipt of a series of FCC and related regulatory approvals with respect to terrestrial spectrum rights (e.g., the grant of the License Modification Application). Rather, the only regulatory conditions precedent to the effectiveness of the Plan are customary filings with, and approvals by, the FCC, Industry Canada, and other applicable governmental authorities (and the expiry of statutory waiting periods, including under the *Hart-Scott-Rodino Antitrust Improvements Act of 1976* and the *Competition Act* (Canada)) for the ownership changes contemplated by the Plan. Under the Plan Support Agreement, the Effective Date is required to occur by December 15, 2015, unless extended by its terms.

The Plan is a product of court-ordered mediation and is premised on compromises and settlements among all Plan Support Parties pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019. In consideration for the Plan Distributions, exculpations, releases (including third party releases), and other benefits provided pursuant to the Plan, confirmation of the Plan shall constitute a good faith compromise of all Claims, Equity Interests, Causes of Action, and controversies resolved pursuant to the Plan and relating to any contractual, legal, and subordination rights that a Holder of a Claim or Equity Interest may have with respect to any Allowed Claim or Equity Interest, or any Plan Distributions to be made on account of such an Allowed Claim or Equity Interest.

*(ii) Financing Matters*

Post-Confirmation Financing. On the Inc. Facilities Claims Purchase Closing Date, (a) pursuant to, and subject to the terms and conditions of, the JPM Inc. Facilities Claims Purchase Agreement, SIG will purchase from the DIP Inc. Claims Sellers the JPM Acquired DIP Inc. Claims and (b) pursuant to, and subject to the terms and conditions of, the Fortress/Centerbridge DIP Inc. Claims Purchase Agreement, Fortress and Centerbridge will purchase from the DIP Inc. Claim Sellers the Fortress/Centerbridge Acquired DIP Inc. Claims. Additionally, the New Investors will fund, or arrange the provision of funding for, the New DIP Facilities, consisting of the New Inc. DIP Facility and the New LP DIP Facility. As of January 15, 2015, LightSquared does not have commitments to fund the New LP DIP Facility. It is LightSquared's expectation that SPSO will be offered the right to participate in the New LP DIP Facility on the same terms as other New LP DIP Lenders. The New Inc. DIP Facility may take the form of (a) a Third Party New Inc. DIP Facility, to be provided either (i) by one or more third parties other than the New Investors or (ii) by one or more third parties other than the New Investors together with one or more of the New Investors, in connection with the New Inc. DIP Credit Agreement and New DIP Orders in form and substance satisfactory to the New Investors and the Debtors in an aggregate principal amount not less than the aggregate principal amount of the New Inc. DIP Facility as set forth in the New Investor New Inc. DIP Commitment Letter (after giving effect to the conversion of the Acquired DIP Inc. Claims into New Inc. DIP Loans), or (b) a New Investor New Inc. DIP Facility, to be provided by the New Investors in connection with the New Inc. DIP Credit Agreement and New DIP Orders on substantially the terms set forth in the New Investor New Inc. DIP Commitment Letter in an aggregate principal amount not less than the aggregate principal amount set forth in the New Investor New Inc. DIP Commitment Letter (after giving effect to the conversion of the JPM Acquired DIP Inc. Claims into New Inc. DIP Loans). The proceeds of the New DIP Facilities will be used to repay in full, in Cash, all Allowed DIP Claims (other than the JPM Acquired DIP Inc. Claims which shall be

converted into New Inc. DIP Loans) and fund the Inc. Debtors' working capital needs through the Effective Date.

Post-Effective Date Financing. On the Effective Date, the Reorganized Debtors will enter into the following financing arrangements (in each case, the below description is for summary purposes only and is qualified in its entirety by the terms of the applicable agreements and/or documents):

- Working Capital Facility. Certain lenders will provide a first lien credit facility in an original aggregate principal amount of $1,250,000,000 pursuant to the Working Capital Facility Credit Agreement. The proceeds from such Working Capital Facility will be used to, among other things, satisfy Allowed Administrative Claims, repay the New DIP Facilities (other than $41 million of the New Inc. DIP Loans held by SIG on account of the JPM Acquired DIP Inc. Claims), provide funding for general corporate purposes and working capital needs, and make Plan Distributions. The Working Capital Facility Loans may not be made by or assigned or otherwise transferred to any Prohibited Transferee and any assignment or other transfer to a Prohibited Transferee (i.e., SPSO, any SPSO Affiliate, and certain other parties who are identified competitors of LightSquared) shall be *void ab initio*.

- Second Lien Exit Facility. The New LightSquared Obligors and the other relevant Entities will enter into the Second Lien Exit Facility, which will be funded through the conversion of the Prepetition LP Facility Non-SPSO Claims and the Prepetition LP Facility SPSO Claims into loans under the Second Lien Exit Facility. The Second Lien Exit Term Loans will be secured by a second lien on all assets of the New LightSquared Obligors, have a five (5) year term, bear interest at the rate of the higher of (a) 12% and (b) 300 basis points greater than the interest rate of the Working Capital Facility per annum, payable in kind. If Classes 7B and 8B do not vote to accept the Plan, the Second Lien Exit Term Loans and related guaranties resulting from the conversion of the Prepetition LP Facility SPSO Claims and Prepetition LP Facility SPSO Guaranty Claims, respectively, will be subject to reduction (whether through cancellation, setoff, or otherwise) to the extent the Bankruptcy Court or any other court of competent jurisdiction disallows all or any part of the Prepetition LP Facility SPSO Claims or the Prepetition LP Facility SPSO Guaranty Claims, and any such loans transferred by the Holders of the Prepetition LP Facility SPSO Claims will be subject to such risk of reduction.

- Reorganized Inc. Exit Facility. Reorganized LightSquared Inc. and SIG will enter into the Reorganized LightSquared Inc. Exit Facility, which will provide for loans in the aggregate principal amount equal to $41 million of the New Inc. DIP Loans held by SIG on account of the JPM Acquired DIP Inc. Claims as of the Effective Date and the Acquired Inc. Facility Claims as of the Effective Date. The Reorganized Inc. Exit Facility will be secured by liens on all assets of Reorganized LightSquared Inc. The Reorganized LightSquared Inc. Exit Facility

will be funded through the conversion of the Acquired Inc. Facility Claims and $41 million of the New Inc. DIP Loans held by SIG into loans under the Reorganized LightSquared Inc. Exit Facility in accordance with the Plan.

**c. General Structure of LightSquared and Reorganized Debtors Under Plan**

Section IV.B of the Plan sets forth the key restructuring transactions contemplated by LightSquared's reorganization. In connection with the Plan, among other things, (i) the Debtors will be reorganized, (ii) LightSquared LP shall be converted to New LightSquared, a Delaware limited liability company, and (iii) each Reorganized Inc. Entity shall assign, contribute, or otherwise transfer to New LightSquared substantially all of its assets, including all legal, equitable, and beneficial right, title, and interest thereto and therein, including, without limitation, all of its equity interests, if any, in any Reorganized Debtor (except as provided below), intellectual property, contractual rights, Retained Causes of Action, and the right to prosecute such Retained Causes of Action and receive the benefits therefrom, but excluding each Reorganized Inc. Entity's tax attributes and direct or indirect equity interests in One Dot Four Corp., SkyTerra Rollup LLC, SkyTerra Rollup Sub LLC, TMI Communications Delaware, Limited Partnership, LightSquared Investors Holdings Inc., and SkyTerra Investors LLC.

On the Effective Date, New LightSquared shall issue the following new equity interests and other instruments:

- To Fortress, on account of its Effective Date investments, (i) 26.20% of New LightSquared Common Interests and (ii) New LightSquared Series B Preferred Interests having an original liquidation preference of $68,391,643.16.

- To Centerbridge, on account of its Effective Date investments, (i) 8.10% of New LightSquared Common Interests and (ii) New LightSquared Series B Preferred Interests having an original liquidation preference of $21,108,531.85.

- To Harbinger, on account of its Prepetition Inc. Facility Subordinated Claims and the contribution of the Harbinger Litigations, (i) New LightSquared Series A Preferred Interests having an original liquidation preference equal to the Allowed amount of the Prepetition Inc. Facility Subordinated Claims, plus the Inc. Facility Prepetition Interest and the Inc. Facility Postpetition Interest allocable to the Inc. Facility Subordinated Claims as of the Effective Date), plus $122,000,000, (ii) 44.45% of the New LightSquared Common Interests, and (iii) a call option to purchase from Reorganized LightSquared Inc. three percent (3%) of the New LightSquared Common Interests.

- As consideration for the Reorganized Inc. Entities contributing their assets to New LightSquared, New LightSquared will issue to the Reorganized Inc. Entities (i) 21.25% of the New LightSquared Common Interests, (ii) New LightSquared Series C Preferred Interests having an original liquidation preference of $100,000,000, (iii) New LightSquared Series B Preferred Interests having an original liquidation preference of $41,000,000, and (iv) New LightSquared Series

A Preferred Interests having an original liquidation preference equal to the Allowed Prepetition Inc. Facility Non-Subordinated Claims held by SIG as of the Effective Date.

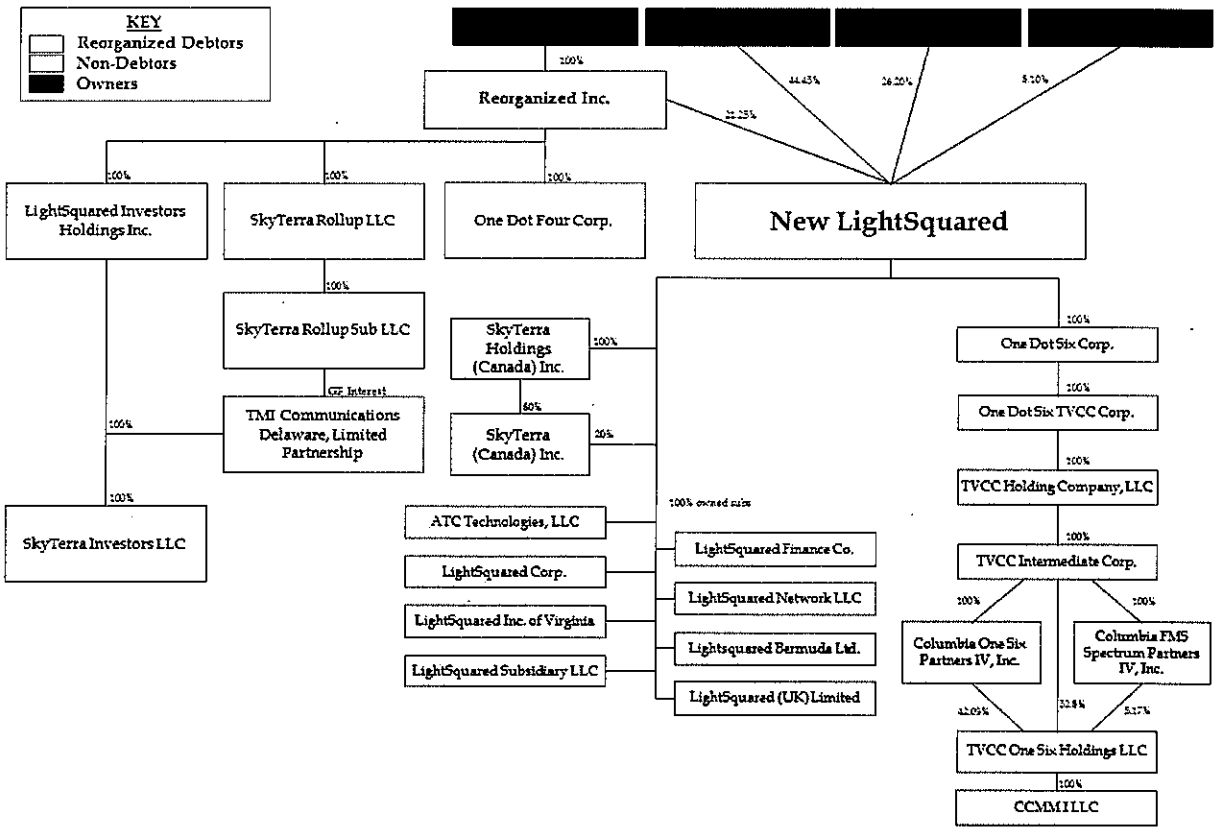
- Reorganized LightSquared Inc. will issue 100% of the Reorganized LightSquared Inc. Common Shares to SIG on account of its Existing Inc. Preferred Equity Interests.

- The Reorganized Inc. Entities will distribute New LightSquared Series C Preferred Interests having an original liquidation preference of $27,000,000 to Other Existing Inc. Preferred Equity Holders on account of their Existing Inc. Preferred Equity Interests.

Each of the foregoing issuances of New LightSquared Interests is as of the Effective Date and the issuance of New LightSquared Common Equity will be subject to dilution from any New LightSquared Common Equity or equity-linked instruments issued pursuant to a Management Incentive Plan.

As a result of the Plan Transactions, the Reorganized Debtors will have the following general corporate organizational structure on the Effective Date:

## POST-REORGANIZATION LIGHTSQUARED



### 4. Administrative and Priority Claims

#### a. Treatment of Administrative and Priority Claims Generally

In accordance with section 1123(a)(l) of the Bankruptcy Code, Administrative Claims, Accrued Professional Compensation Claims, DIP Claims, Priority Tax Claims, and U.S. Trustee Fees have not been classified, and the Holders thereof are not entitled to vote on the Plan.

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtors, each Holder of an Allowed Administrative Claim (other than of an Accrued Professional Compensation Claim, DIP Claim, and KEIP Payment) shall receive in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Administrative Claim, Plan Consideration in the form of Cash in an amount equal to such Allowed Administrative Claim. Unless previously Filed, Holders of such Administrative Claims must File and serve on New LightSquared requests for repayment no later than the Administrative Claims Bar Date pursuant to the procedures specified in the Confirmation Order and the notice of the occurrence of the Effective Date.

#### b. Treatment of DIP Inc. Claims

The DIP Inc. Claims shall be Allowed and deemed to be Allowed Claims in the amount of $122,437,327.70 as of January 15, 2015 (as increased on a per diem basis through and including the Inc. Facilities Claims Purchase Closing Date in accordance with the DIP Inc. Credit Agreement and DIP Inc. Order), plus any additional incremental funding provided by the DIP Inc. Lenders under the DIP Inc. Credit Agreement pursuant to a budget provided by the Debtors that is acceptable to the DIP Inc. Lenders together with related interest, default interest, fees, and expenses. The total amount of the Allowed DIP Inc. Claims shall be increased to include the 2% exit fee owed pursuant to the DIP Inc. Credit Agreement and DIP Inc. Order upon the repayment and/or conversion of all amounts outstanding under the DIP Inc. Facility, which amount of exit fee shall be calculated based upon the aggregate principal and interest outstanding under the DIP Inc. Facility immediately prior to the Inc. Facilities Claims Purchase Closing Date. For the avoidance of doubt, the economics of any incremental funding provided under the DIP Inc. Credit Agreement shall remain consistent with prior amendments thereto, including the accrual of interest at the default rate of 17.5%, payment of a financing fee of 3.5% in connection with each funding to be paid in kind at the time such future amendment(s) are approved by the Bankruptcy Court, the payment of a 2% exit fee upon repayment of the DIP Inc. Claims, and other terms and conditions otherwise acceptable to MAST.

In accordance with, and subject to the terms and conditions of, the JPM Inc. Facilities Claims Purchase Agreement, SIG shall purchase in Cash from the DIP Inc. Claims Sellers all rights, title, and interest to the JPM Acquired DIP Inc. Claims on the Inc. Facilities Claims Purchase Closing Date. On, and after giving effect to, the Inc. Facilities Claims Purchase Closing Date, the JPM Acquired DIP Inc. Claims held by SIG shall be converted into New Inc. DIP Loans on a dollar-for-dollar basis.

In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each DIP Inc. Claim that is not a JPM Acquired DIP Inc. Claim, each Holder of such Allowed DIP Inc. Claim shall receive, on the Inc. Facilities Claims Purchase Closing Date, and concurrent with SIG's purchase of the JPM Acquired DIP Inc. Claims and the Acquired Inc. Facility Claims, Cash in an amount equal to such Allowed DIP Inc. Claims either (a) from the proceeds of the Third Party New Inc. DIP Facility or (b) as contemplated by the New Investor Commitment Documents.

**c. Treatment of DIP LP Claims**

In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each DIP LP Claim, except to the extent that a Holder of an Allowed DIP LP Claim agrees to less favorable or other treatment, each Holder of an Allowed DIP LP Claim shall receive, on the New LP DIP Closing Date, Plan Consideration in the form of Cash from the proceeds of the New LP DIP Facility in an amount equal to such Allowed DIP LP Claim.

**d. Treatment of New Inc. DIP Claims**

In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed New Inc. DIP Claim, and except to the extent that a Holder of an Allowed New Inc. DIP Claim agrees to less favorable or other treatment (including with respect to the New Inc. DIP Claims held by SIG), each Holder of an Allowed New Inc. DIP Claim shall receive, on the Effective Date, Plan Consideration in the form of Cash in an amount equal to its Allowed New Inc. DIP Claim; provided that, $41 million of the New Inc. DIP Claims held by SIG will be satisfied by converting such Claims on the Effective Date into the Reorganized LightSquared Inc. Exit Facility on a dollar-for-dollar basis with the remainder of the New Inc. DIP Claims held by SIG being satisfied with Plan Consideration in the form of Cash.

**e. Treatment of New LP DIP Claims**

In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed New LP DIP Claim, except to the extent that a Holder of an Allowed New LP DIP Claim agrees to a less favorable or other treatment, each Holder of an Allowed New LP DIP Claim shall receive, on the Effective Date, Plan Consideration in the form of Cash in an amount equal to such Allowed New LP DIP Claims.

**5. Classes and Treatment**

A Claim or Equity Interest is placed in a particular Class only to the extent that the Claim or Equity Interest falls within the description of that Class and is classified in other Classes only to the extent that any portion of the Claim or Equity Interest falls within the description of such other Classes. The Plan classifies Claims and Equity Interests with respect to the Inc. Debtors and the LP Debtors.

Pursuant to the Bankruptcy Code, not all Classes are entitled to vote on the Plan. Under the Plan, (a) Classes 5, 6, 7A, 7B, 8A, 8B, 11, and 12 are Impaired, and the Holders of Claims or Equity Interests in such Classes is entitled to vote to accept or reject the Plan, (b) Classes 1, 2, 3, 4, 9, 10, 15B, 16A, and 16B are Unimpaired, and the Holders of Claims in such Classes are

conclusively presumed to have accepted the Plan and are thus not entitled to vote on the Plan, and (c) Classes 13, 14 and 15A are Impaired, and the Holders of Claims and Equity Interests in such Classes (i) shall receive no distributions under the Plan on account of their Claims or Equity Interests, (ii) are deemed to have rejected the Plan, and (iii) are not entitled to vote to accept or reject the Plan, and the votes of such Holders shall not be solicited.

The chart below summarizes the Classes of Claims and Equity Interests, the treatment of such Classes (except to the extent a Holder agrees to other treatment), whether they are Impaired or Unimpaired, and the entitlement of such Classes to vote. This chart and its content are subject to change based upon changes in the amount of Allowed Claims and Allowed Equity Interests and the amounts available for distribution. Unless otherwise provided in the Plan or the Confirmation Order, the treatment of any Claim or Equity Interest under the Plan will be in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such Claim or Equity Interest.

Reference should be made to the entirety of the Specific Disclosure Statement and the Plan for a complete understanding of the classification and treatment of Allowed Claims and Allowed Equity Interests.

**Chart Showing Classification of Claims and Equity Interests Under Plan**[6]

| Class | Claims or Equity Interests | Treatment | Impairment Status | Entitlement to Vote | Estimated Percentage Recovery of Allowed Claims or Equity Interests |
|---|---|---|---|---|---|
| 1 | Inc. Other Priority Claims | In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Inc. Other Priority Claim, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Inc. Other Priority Claim agrees to any other treatment, each Holder of an Allowed Inc. Other Priority Claim against an individual Inc. Debtor shall receive Plan Consideration in the form of Cash in an amount equal to such Allowed Inc. Other Priority Claim. | Unimpaired | No (Deemed To Accept) | 100% |
| 2 | LP Other Priority Claims | In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed LP Other Priority Claim, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed LP Other Priority Claim agrees to any other treatment, each Holder of an Allowed LP Other Priority Claim against an individual LP | Unimpaired | No (Deemed To Accept) | 100% |

[6] For additional detail regarding recoveries and distributions under the Plan, attached hereto as Exhibit B is a Treatment of Claims Chart.