Exhibit "**E**" to the Affidavit of Elizabeth Creary,
sworn before me this 10th day of October, 2013.

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

THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF A CHAPTER 11 PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

DISCLOSURE STATEMENT FOR FIRST AMENDED JOINT CHAPTER 11 PLAN FOR LIGHTSQUARED LP, ATC TECHNOLOGIES, LLC, LIGHTSQUARED CORP., LIGHTSQUARED INC. OF VIRGINIA, LIGHTSQUARED SUBSIDIARY LLC, LIGHTSQUARED FINANCE CO., LIGHTSQUARED NETWORK LLC, LIGHTSQUARED BERMUDA LTD., SKYTERRA HOLDINGS (CANADA) INC., AND SKYTERRA (CANADA) INC., PROPOSED BY THE AD HOC SECURED GROUP OF LIGHTSQUARED LP LENDERS

Dated: New York, New York
October 7, 2013

WHITE & CASE LLP
1155 Avenue of the Americas
New York, New York 10036
(212) 819-8200
Counsel for the Ad Hoc Secured Group of LightSquared LP Lenders

[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).

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SCHEDULES AND EXHIBITS

I.

INTRODUCTION

All capitalized terms used in this Disclosure Statement but not defined in this Disclosure Statement shall have the meaning ascribed to them in the Plan (as defined below) (see Exhibit "A" to the Plan, Glossary of Defined Terms). For ease of reference, each term defined in this Disclosure Statement is listed on Schedule 1 hereto with reference to the page number where such term is defined. Unless otherwise stated, all references herein to "Schedules" and "Exhibits" are references to schedules and exhibits to this Disclosure Statement.

BY ORDER DATED _____ __, 2013 (THE "DISCLOSURE STATEMENT ORDER"), THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK (THE "BANKRUPTCY COURT") APPROVED THIS DISCLOSURE STATEMENT FOR THE FIRST AMENDED JOINT CHAPTER 11 PLAN FOR LIGHTSQUARED LP, ATC TECHNOLOGIES, LLC, LIGHTSQUARED CORP., LIGHTSQUARED INC. OF VIRGINIA, LIGHTSQUARED SUBSIDIARY LLC, LIGHTSQUARED FINANCE CO., LIGHTSQUARED NETWORK LLC, LIGHTSQUARED BERMUDA LTD., SKYTERRA HOLDINGS (CANADA) INC., AND SKYTERRA (CANADA) INC. PROPOSED BY THE AD HOC SECURED GROUP OF LIGHTSQUARED LP LENDERS (THIS "DISCLOSURE STATEMENT"). THIS DISCLOSURE STATEMENT INCLUDES AND DESCRIBES THE FIRST AMENDED JOINT CHAPTER 11 PLAN FOR LIGHTSQUARED LP, ATC TECHNOLOGIES, LLC, LIGHTSQUARED CORP., LIGHTSQUARED INC. OF VIRGINIA, LIGHTSQUARED SUBSIDIARY LLC, LIGHTSQUARED FINANCE CO., LIGHTSQUARED NETWORK LLC, LIGHTSQUARED BERMUDA LTD., SKYTERRA HOLDINGS (CANADA) INC., AND SKYTERRA (CANADA) INC., PROPOSED BY THE AD HOC SECURED GROUP OF LIGHTSQUARED LP LENDERS, DATED AS OF OCTOBER 7, 2013 (AS THE SAME MAY BE AMENDED OR MODIFIED, THE "PLAN"), A COPY OF WHICH IS ATTACHED HERETO AS EXHIBIT "A." **THE PLAN IS A PLAN FOR LIGHTSQUARED LP, ATC TECHNOLOGIES, LLC, LIGHTSQUARED CORP., LIGHTSQUARED INC. OF VIRGINIA, LIGHTSQUARED SUBSIDIARY LLC, LIGHTSQUARED FINANCE CO., LIGHTSQUARED NETWORK LLC, LIGHTSQUARED BERMUDA LTD., SKYTERRA HOLDINGS (CANADA) INC., AND SKYTERRA (CANADA) INC. (THE "LP DEBTORS") ONLY. THE PLAN IS NOT A PLAN FOR LIGHTSQUARED INC., ONE DOT FOUR CORP., ONE DOT SIX CORP., SKYTERRA ROLLUP LLC, SKYTERRA ROLLUP SUB LLC, LIGHTSQUARED GP INC., ONE DOT SIX TVCC CORP., LIGHTSQUARED INVESTORS HOLDINGS INC., TMI COMMUNICATIONS DELAWARE, LIMITED PARTNERSHIP OR SKYTERRA INVESTORS LLC.**

PURSUANT TO THE PLAN, CLASS 1 – LP OTHER PRIORITY CLAIMS AND CLASS 2 – LP OTHER SECURED CLAIMS ARE UNIMPAIRED AND ARE THEREFORE DEEMED TO ACCEPT THE PLAN. ACCORDINGLY, EXCEPT AS OTHERWISE DESCRIBED HEREIN, THE PLAN SPONSORS ARE SOLICITING ACCEPTANCES OF THE PLAN FROM THE HOLDERS OF CLAIMS AND EQUITY INTERESTS CLASSIFIED IN CLASS 3 – LP FACILITY SECURED CLAIMS, CLASS 4 – LP GENERAL UNSECURED

CLAIMS, CLASS 5 – EXISTING LP PREFERRED UNITS EQUITY INTERESTS AND CLASS 6 – LP COMMON EQUITY INTERESTS.

THE PLAN IS SPONSORED BY CERTAIN HOLDERS OF PREPETITION LP FACILITY CLAIMS (AS DEFINED BELOW) WHO ARE MEMBERS OF THE AD HOC LP SECURED GROUP – CAPITAL RESEARCH AND MANAGEMENT COMPANY, CYRUS CAPITAL PARTNERS, L.P., INTERMARKET CORPORATION, SP SPECIAL OPPORTUNITIES, LLC ("SPSO"), AND UBS AG, STAMFORD BRANCH (EACH, A "PLAN SPONSOR"). THE PLAN SPONSORS BELIEVE THAT THE PLAN IS IN THE BEST INTEREST OF, AND PROVIDES THE HIGHEST AND MOST EXPEDITIOUS RECOVERIES AVAILABLE TO, EACH HOLDER OF A CLAIM AGAINST OR EQUITY INTEREST IN AN LP DEBTOR. ALL HOLDERS OF CLAIMS OR EQUITY INTERESTS ENTITLED TO VOTE ON THE PLAN ARE URGED TO VOTE IN FAVOR OF THE PLAN.

VOTING INSTRUCTIONS ARE CONTAINED IN THE DISCLOSURE STATEMENT ORDER, A COPY OF WHICH IS ATTACHED HERETO AS EXHIBIT "B". IN ADDITION, THE SOLICITATION PACKAGE ACCOMPANYING EACH OF THE BALLOTS CONTAINS APPLICABLE VOTING INSTRUCTIONS. **TO BE COUNTED, YOUR BALLOT MUST BE DULY COMPLETED, EXECUTED AND ACTUALLY RECEIVED BY THE SOLICITATION AGENT BY 4:00 P.M. (PREVAILING PACIFIC TIME), ON DECEMBER 5, 2013 (THE "VOTING DEADLINE"); PROVIDED, HOWEVER, THAT IN THE EVENT THAT THE AUCTION DOES NOT CONCLUDE BY 11:59 P.M. (PREVAILING EASTERN TIME) ON DECEMBER 6, 2013, THE VOTING DEADLINE SHALL BE EXTENDED AUTOMATICALLY (WITHOUT FURTHER ORDER OF THE COURT) TO A DATE AND TIME THAT IS TWENTY-FOUR (24) HOURS AFTER THE FILING OF THE NOTICE OF SUCCESSFUL BIDDER(S) (AS PROVIDED IN PARAGRAPH 15(B) OF THE BID PROCEDURES ORDER).**

II.

NOTICE TO HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE LP DEBTORS

The purpose of this Disclosure Statement is to enable each holder of a Claim against or an Equity Interest in an LP Debtor that is impaired under the Plan to make an informed decision in exercising its right to vote on the Plan. More information on voting on the Plan is contained in this Disclosure Statement in the article entitled "Confirmation and Consummation Procedures."

THIS DISCLOSURE STATEMENT CONTAINS IMPORTANT INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN. PLEASE READ THIS DOCUMENT WITH CARE.

ALL INFORMATION UPON WHICH THE PLAN IS PREMISED AND ALL INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT IS BASED UPON INFORMATION AVAILABLE IN THE PUBLIC DOMAIN OR INFORMATION PROVIDED TO THE AD HOC LP SECURED GROUP ADVISORS ON A NON-CONFIDENTIAL BASIS BY THE LP DEBTORS. THE PLAN SPONSORS DO NOT

WARRANT AND SPECIFICALLY DISCLAIM THE ACCURACY OF ANY SUCH INFORMATION. SUMMARIES OF THE PLAN AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN AND THE EXHIBITS ANNEXED TO THE PLAN AND TO THE EXHIBITS AND SCHEDULES ANNEXED TO THIS DISCLOSURE STATEMENT. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT 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 THE DATE HEREOF. IN THE EVENT OF ANY CONFLICT BETWEEN THE DESCRIPTIONS SET FORTH IN THIS DISCLOSURE STATEMENT AND THE TERMS OF THE PLAN, THE TERMS OF THE PLAN SHALL GOVERN.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3016(b). THIS DISCLOSURE STATEMENT HAS NEITHER BEEN APPROVED NOR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. PERSONS OR ENTITIES TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING SECURITIES OF OR CLAIMS AGAINST ANY OF THE LP DEBTORS OR ANY OF THEIR DEBTOR OR NON-DEBTOR AFFILIATES SHOULD EVALUATE THIS DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION, OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS SUBJECT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND OTHER SIMILAR RULES. ACCORDINGLY, THIS DISCLOSURE STATEMENT SHALL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING NOR SHALL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, ANY OF THE LP DEBTORS OR ANY OF THEIR SUBSIDIARIES OR DEBTOR OR NON-DEBTOR AFFILIATES.

On October __, 2013, after notice and a hearing, the Bankruptcy Court entered the Disclosure Statement Order, finding that this Disclosure Statement contains information of a kind, and in sufficient detail, adequate to enable a hypothetical, reasonable investor typical of the solicited holders of Claims or Equity Interests to make an informed judgment with respect to the acceptance or rejection of the Plan. **APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT OF THE FAIRNESS OR MERITS OF THE PLAN OR OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT.**

Each holder of a Claim or an Equity Interest entitled to vote to accept or reject the Plan should read this Disclosure Statement and the Plan in its entirety before voting. No solicitation of votes to accept or reject the Plan may be made except pursuant to the Disclosure Statement Order and section 1125 of the Bankruptcy Code. Except for the Plan Sponsors, no Person has been authorized to use or promulgate any information concerning the Plan other than the information contained in this Disclosure Statement, and if other information is given or made, such information may not be relied upon as having been authorized by the Plan Sponsors. **YOU SHOULD NOT RELY ON ANY INFORMATION RELATING TO THE LP DEBTORS, THEIR BUSINESSES OR THE PLAN, WHEN CONSIDERING HOW TO VOTE ON THE PLAN, OTHER THAN THAT CONTAINED IN THIS DISCLOSURE STATEMENT AND THE SCHEDULES AND EXHIBITS ANNEXED HERETO.**

CERTAIN LANGUAGE OR SECTIONS CONTAINED IN THIS DISCLOSURE STATEMENT REFLECT ONLY THE UNDERSTANDINGS OR OPINIONS OF THE AD HOC LP SECURED GROUP AND SUCH LANGUAGE OR SECTIONS HAVE NOT BEEN VERIFIED OR APPROVED BY THE DEBTORS OR OTHER RELEVANT PARTIES (EXCEPT AS EXPLICITLY PROVIDED HEREIN).

THE DEBTORS HAVE NOT ADOPTED OR APPROVED THIS DISCLOSURE STATEMENT. INSTEAD, THE DEBTORS HAVE FILED THE FIRST AMENDED GENERAL DISCLOSURE STATEMENT [DOCKET NO. __] AND SEPARATE SPECIFIC DISCLOSURE STATEMENT [DOCKET NO. __] (TOGETHER, THE "DEBTORS' DISCLOSURE STATEMENT") IN SUPPORT OF THE DEBTORS' PLAN (AS DEFINED BELOW), WHICH DEBTORS' DISCLOSURE STATEMENT CONTAINS INFORMATION WHICH MAY BE DIFFERENT FROM THAT SET FORTH HEREIN. PARTIES ENTITLED TO VOTE ON THE DEBTORS' PLAN SHOULD ALSO REVIEW THE DEBTORS' PLAN AND DEBTORS' DISCLOSURE STATEMENT IN THEIR ENTIRETY.

After carefully reviewing this Disclosure Statement, including the attached Schedules and Exhibits, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the ballot provided by Kurtzman Carson Consultants LLC ("KCC" or the "Solicitation Agent" or the "Claims Agent," as applicable), and return the completed ballot to the address set forth on the ballot in the enclosed postage prepaid return envelope so that it will be actually received by the Solicitation Agent no later than the Voting Deadline, which is **December 5, 2013 at 4:00 p.m. (Prevailing Pacific Time), or such later date and time as may be determined by the Plan Sponsors or as otherwise determined by the Bankruptcy Court; provided, however, that in the event that the Auction does not conclude by 11:59 p.m. (prevailing Eastern time) on December 6, 2013, the Voting Deadline shall be extended automatically (without further order of the Court) to a date and time that is twenty-four (24) hours after the filing of the Notice of Successful Bidder(s) (as provided in paragraph 15(b) of the Bid Procedures Order).**

All votes to accept or reject the Plan must be cast by using the appropriate Ballot. Votes which are cast in any other manner may not be counted. **All Ballots must be actually received by the Solicitation Agent no later than the Voting Deadline. For detailed voting instructions and the name, address and phone number of the Person you may contact if**

you have questions regarding the voting procedures, see the Disclosure Statement Order attached hereto as Exhibit "B."

DO NOT RETURN ANY OTHER DOCUMENTS WITH YOUR BALLOT.

You will be bound by the Plan if it is accepted by the requisite holders of Claims and/or Equity Interests and confirmed by the Bankruptcy Court, even if you do not vote to accept the Plan or if you are the holder of an unimpaired Claim or Equity Interest that is not entitled to vote on the Plan. For information regarding the minimum thresholds for acceptance of the Plan, see the section of this Disclosure Statement entitled "Confirmation and Consummation Procedures."

Pursuant to section 1128 of the Bankruptcy Code, the Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan (the "Confirmation Hearing") on December 10, 2013, at 10:00 a.m. (Prevailing Eastern Time), before the Honorable Shelley C. Chapman, United States Bankruptcy Judge. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan be filed and served on or before November 26, 2013, in the manner described in the Disclosure Statement Order attached hereto as Exhibit "B."

III.

SUMMARY EXPLANATION OF CHAPTER 11

A. Overview of Chapter 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code pursuant to which a debtor's business may be reorganized or liquidated for the benefit of its creditors, interest holders, and other parties in interest. The Debtors commenced the Chapter 11 Cases with the voluntary filing of petitions for protection under chapter 11 of the Bankruptcy Code on May 14, 2012. By order of the Bankruptcy Court, the Chapter 11 Cases have been consolidated for procedural purposes only and are being jointly administered under Case No. 12-12080 (SCC).

The commencement of a voluntary chapter 11 case creates an estate comprising all of the legal and equitable interests of a debtor as of the date the petition is filed. Sections 1101, 1107, and 1108 of the Bankruptcy Code provide that a debtor may continue to operate its business and remain in possession of its property as a "debtor in possession" unless the bankruptcy court orders the appointment of a trustee or the conversion of the debtor's bankruptcy case from a case under chapter 11 to one under chapter 7. In the Chapter 11 Cases, each Debtor has remained in possession of its property and continues to operate its businesses as a debtor in possession.

The filing of a voluntary chapter 11 petition triggers the automatic stay provisions of the Bankruptcy Code. Section 362 of the Bankruptcy Code provides, among other things, for an automatic stay of certain actions against a chapter 11 debtor on account of prepetition claims against it and various other forms of interference with a debtor's property or business. Exempted from the automatic stay are, among other things, actions by governmental authorities seeking to exercise police or regulatory powers. Except as otherwise ordered by the bankruptcy court administering a chapter 11 case, the automatic stay remains in effect until the earliest of the time

(i) the case is closed, (ii) the case is dismissed, or (iii) a discharge is granted, including in connection with confirmation of a chapter 11 plan, or denied.

The formulation and ultimate consummation of a chapter 11 plan of reorganization is the principal purpose of a chapter 11 case. The plan sets forth the means for satisfying claims against and interests in a debtor's estate. Unless a trustee is appointed, only a debtor may file a plan during the first 120 days of a chapter 11 case (the "Exclusive Filing Period"), and the debtor will have 180 days to solicit acceptance of such plan (the "Exclusive Solicitation Period" and together with the Exclusive Filing Period, the "Exclusive Periods"). However, section 1121(d) of the Bankruptcy Code permits the bankruptcy court to extend or reduce the Exclusive Filing Period and Exclusive Solicitation Period upon a showing of "cause." The Exclusive Filing Period and Exclusive Solicitation Period may not be extended beyond 18 months and 20 months, respectively, from the petition date. Here, the Exclusive Periods terminated on July 15, 2013. For more information regarding the termination of the LP Debtors' Exclusive Periods, please see the section of this Disclosure Statement entitled "The Chapter 11 Cases – Exclusivity."

B. Plan

A chapter 11 plan may provide for anything from a comprehensive restructuring of a debtor's business and its related obligations to a simple liquidation of a debtor's assets. In either event, upon confirmation and effectiveness of a plan, the plan becomes binding on the debtor and all of its creditors and equity holders, and the prior obligations owed by the debtor to such parties are compromised and exchanged for the obligations specified in the plan. For a description of key components of the Plan, refer to the article of this Disclosure Statement entitled "Overview of the Plan."

The holders of impaired claims against and interests in a debtor that are entitled to a distribution under a plan are permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, section 1125 of the Bankruptcy Code requires the plan proponent to prepare and file a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. This Disclosure Statement has been prepared to satisfy the requirements of section 1125 of the Bankruptcy Code in connection with the Plan Sponsors' solicitation of votes on the Plan.

C. Confirmation of a Plan

If all classes of claims and interests accept a plan, the bankruptcy court may confirm a chapter 11 plan if it independently determines that the requirements of section 1129(a) of the Bankruptcy Code have been satisfied. These requirements are discussed in this Disclosure Statement in the article entitled "Confirmation and Consummation Procedures." The Plan Sponsors believe that the Plan satisfies all the applicable requirements of section 1129(a) of the Bankruptcy Code.

Chapter 11 of the Bankruptcy Code does not require that each holder of a claim or interest in a particular class vote in favor of a plan for the bankruptcy court to determine that the class has accepted the plan. Additionally, a plan can be confirmed even if not accepted by all

classes entitled to vote upon it. Further information concerning requirements for confirmation of a plan is contained in this Disclosure Statement in the article entitled "Confirmation and Consummation Procedures."

Classes of claims or interests that are not "impaired" under a chapter 11 plan are conclusively presumed to have accepted the plan and thus are not entitled to vote. Thus, acceptances of a plan will generally be solicited only from those Persons who hold claims or interests in an impaired class. Under the Plan, Class 1 – LP Other Priority Claims and Class 2 – LP Other Secured Claims are unimpaired and are therefore deemed to have accepted the Plan. Class 3 – Prepetition LP Facility Claims, Class 4 – LP General Unsecured Claims, Class 5 – Existing LP Preferred Units Equity Interests, and Class 6 – LP Common Equity Interests are impaired and thus entitled to vote on the Plan.

IV.

OVERVIEW OF THE PLAN

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 Disclosure Statement as Exhibit "A". In addition, for a more detailed description of the terms and provisions of the Plan, refer to the article of this Disclosure Statement entitled "The Plan." All of the Debtors that are not LP Debtors will remain as debtors and debtors in possession and will not be impacted by the Plan except in their capacity as holders of Claims against or Equity Interests in the LP Debtors.[1]

The Plan is a joint plan for the LP Debtors premised on the sale (the "LP Sale") of substantially all of the LP Debtors' Assets (such Assets, the "LP Assets") through a Bankruptcy Court-approved sale process, which will test the market for such Assets and maximize the value of the LP Debtors' Estates. L-Band Acquisition, LLC ("LBAC" or the "Stalking Horse Bidder") has agreed to enter into an Asset Purchase Agreement (the "Stalking Horse Agreement"), a copy of which is annexed hereto as Exhibit "F", pursuant to which it will serve as the stalking horse bidder for the LP Sale subject to the terms and conditions therein. Pursuant to the Stalking Horse Agreement, LBAC has submitted a Qualified Bid (the "LBAC Bid") of $2.22 billion in cash plus the assumption of certain material liabilities. Notably, the funding of the $2.22 billion cash portion of the purchase price is not conditioned on approval by the Federal Communications Commission ("FCC") or Industry Canada.[2] The LBAC Bid is subject to the submission of higher or otherwise better bids at the Auction (as defined below) pursuant to the Bid Procedures (as defined below), a copy of which is attached hereto as Exhibit "E". The winning bidder

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[1] The Plan is a plan for the LP Debtors only and is not a plan for LightSquared Inc., One Dot Four Corp., One Dot Six Corp., SkyTerra Rollup LLC, SkyTerra Rollup Sub LLC, LightSquared GP Inc., One Dot Six TVCC Corp., LightSquared Investors Holdings Inc., TMI Communications Delaware, Limited Partnership or SkyTerra Investors LLC. Separate plans have been filed with respect to Debtors that are not LP Debtors, and are discussed briefly in the section of this Disclosure Statement entitled "The Chapter 11 Cases – The Competing Plans."

[2] Notwithstanding the early funding of the cash purchase price thereunder, the Closing of the transactions contemplated by the LBAC Bid will not take place, and no assignment or transfer of control of any licenses or authorizations will occur, until all necessary regulatory approvals are received, including without limitation FCC consent to such assignment or transfer.

(whether LBAC or another entity) will execute an asset purchase agreement (the "Asset Purchase Agreement"), which will be submitted to the Bankruptcy Court for approval at the Confirmation Hearing pursuant to the Bid Procedures. For a more detailed description of the LP Sale, refer to the section of this Disclosure Statement entitled "The Chapter 11 Cases – The LP Sale."

The Plan provides that (and the Confirmation Order will provide that) on the Funding Date a distribution account (the "Distribution Account") shall be established to receive (a) the LP Debtors' Cash on hand as of that date and (b) all Cash proceeds and other consideration deliverable to the LP Debtors from the LP Sale (the "LP Sale Proceeds") less the amount of Cash necessary to fund the Wind Down Reserve (collectively, the "Plan Consideration"). The Plan Consideration in the Distribution Account shall be distributed to the holders of Allowed Claims against and Equity Interests in the LP Debtors in the manner set forth in Article V of the Plan and described in the chart below summarizing the treatment of each Class of Claims against and Equity Interest in the LP Debtors.[3]

Pursuant to the Plan, the LP Debtors will continue to exist after the Effective Date as separate corporate entities, in accordance with applicable law, for the purposes of satisfying their obligations under the Asset Purchase Agreement and the Plan, including making or assisting the Disbursing Agent in making distributions as required under the Plan, maintaining the Acquired Assets and the LP Debtors' business in accordance with the requirements of the Asset Purchase Agreement, and effectuating the wind down of the LP Debtors (the "Wind Down").

The following chart summarizes the treatment of each class of Claims against and Equity Interests in the LP Debtors under the Plan. All estimated amounts set forth in the chart are based upon the Plan Sponsors' estimates of amounts as of December 31, 2013. The Plan Sponsors have relied on publicly available information and information otherwise provided to them by the Debtors on a non-confidential basis. Such estimates may change as additional information becomes available to the Plan Sponsors. Although reasonable efforts were made to be accurate, the estimates may vary from the final amounts of Claims and Equity Interests allowed by the Bankruptcy Court. Reference should be made to the Plan for a complete description of the classification and treatment of Allowed Claims against and Equity Interests in the LP Debtors under the Plan.

CLAIMS NOT CLASSIFIED UNDER THE PLAN	
Type of Claims[4]	**Treatment of Type of Claims**

[3] The Disbursing Agent may also use Plan Consideration to establish Disputed Claims Reserves for the purpose of effectuating distributions to holders of Disputed Claims pending allowance or disallowance of such Claims in accordance with the Plan.

[4] As provided by section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Fee Claims, U.S. Trustee Fees and Priority Tax Claims against the LP Debtors shall not be classified under the Plan, and shall instead be treated separately as Unclassified Claims on the terms set forth in Article III of the Plan. Holders of such Claims are not entitled to vote on the Plan.

Administrative Claims Estimated amount: $120,000	On the Plan Distribution Date, each holder of an Allowed Administrative Claim shall receive (i) the amount of such holder's Allowed Administrative Claim in one payment of Plan Consideration in the form of Cash (to the extent not previously paid by the LP Debtors) or (ii) such other treatment as may be agreed upon in writing by (a) the LP Debtors, and (b) such holder; provided, that such treatment shall not provide a recovery to such holder having a present value as of the Effective Date in excess of such holder's Allowed Administrative Claim; provided, further, that an Administrative Claim representing a liability incurred in the ordinary course of business of any of the LP Debtors may be paid by the respective LP Debtor in the ordinary course of business; provided, further, that the Break-Up Fee and Expense Reimbursement shall be paid in accordance with the terms of the Stalking Horse Agreement and Bid Procedures Order; and provided, further, that any Allowed Administrative Claim accrued or incurred prior to the Effective Date, but not paid on or prior to the Effective Date, shall be paid from the reserve established pursuant to Section 9.5(b) of the Plan (and, to the extent that amounts deposited in the reserve established pursuant to Section 9.5(b) of the Plan are insufficient to pay such Allowed Administrative Claim, the LP Debtors may withdraw Cash from the Wind Down Reserve to pay such Allowed Administrative Claim). In the case of the Ad Hoc LP Secured Group Fee Claims and Plan Sponsor Fee Claims, such Ad Hoc LP Secured Group Fee Claims and Plan Sponsor Fee Claims will be paid in full in Plan Consideration in the form of Cash on the Effective Date for all reasonable fees and expenses incurred up to the Effective Date (to the extent not previously paid by the LP Debtors), subject to the LP Debtors' prior receipt of invoices and reasonable documentation in connection therewith and without the requirement to file a Fee Application with the Bankruptcy Court. In the event that the LP Debtors dispute all or a portion of the Ad Hoc LP Secured Group Fee Claims or Plan Sponsor Fee Claims, the LP Debtors shall pay the undisputed amount of such Ad Hoc LP Secured

	Group Fee Claims or Plan Sponsor Fee Claims (as applicable), and segregate the remaining portion of such Ad Hoc LP Secured Group Fee Claims or Plan Sponsor Fee Claims (as applicable) until such dispute is resolved by the parties or by the Bankruptcy Court.
Fee Claims Estimated amount: Unspecified	Each holder of an Allowed Fee Claim shall receive, in full satisfaction of such Allowed Fee Claim, (i) on the date such Fee Claim becomes an Allowed Fee Claim, or as soon thereafter as is practicable, Plan Consideration in the form of Cash in an amount equal to such Allowed Fee Claim (less any amounts previously paid on account of such Fee Claim by the LP Debtors) or (ii) such other treatment as may be agreed to by such holder of an Allowed Fee Claim; provided, that such treatment shall not provide a recovery to such holder having a present value as of the Effective Date in excess of such holder's Allowed Fee Claim; provided, further, that any Allowed Fee Claim accrued or incurred prior to the Effective Date, but not paid on or prior to the Effective Date, shall be paid from the reserve established pursuant to Section 9.5(b) of the Plan (and, to the extent that amounts deposited in the reserve established pursuant to Section 9.5(b) of the Plan are insufficient to pay such Allowed Fee Claim, the LP Debtors may withdraw Cash from the Wind Down Reserve to pay such Allowed Fee Claim).
U.S. Trustee Fees Estimated amount: $50,000	The Disbursing Agent, on behalf of each of the LP Debtors, shall pay all outstanding U.S. Trustee Fees of such LP Debtor on an ongoing basis on the later of: (i) the Effective Date; and (ii) the date such U.S. Trustee Fees become due, until such time as a final decree is entered closing the applicable Chapter 11 Case or the applicable Chapter 11 Case is converted or dismissed, or the Bankruptcy Court orders otherwise. Any deadline for filing Administrative Claims shall not apply to U.S. Trustee Fees.
Priority Tax Claims Estimated amount: $25,000	Each holder of an Allowed Priority Tax Claim shall receive, in full satisfaction of such Allowed Priority Tax Claim (a) Plan Consideration in the form of Cash in the amount of such Allowed

	Priority Tax Claim (to the extent not previously paid by the LP Debtors) on the later of (i) the applicable Plan Distribution Date and (ii) as soon as practicable after such Priority Tax Claim becomes an Allowed Priority Tax Claim or (b) such other treatment as may be agreed to by such holder of an Allowed Priority Tax Claim; provided, that such treatment shall not provide a recovery to such holder having a present value as of the Effective Date in excess of such holder's Allowed Priority Tax Claim.
CLAIMS AND EQUITY INTERESTS CLASSIFIED UNDER THE PLAN	
Class of Claims or Equity Interests	**Treatment of Class of Claims or Equity Interests**
Class 1 – LP Other Priority Claims Unimpaired Estimated amount: $42,000	The legal, equitable and contractual rights of the holders of LP Other Priority Claims are unaltered by the Plan. Except to the extent that a holder of an Allowed LP Other Priority Claim agrees to different treatment, on the applicable Plan Distribution Date, each holder of an Allowed LP Other Priority Claim shall receive Plan Consideration in the form of Cash in an amount equal to such Allowed Claim.
Class 2 – LP Other Secured Claims Unimpaired Estimated amount: Undetermined	The legal, equitable and contractual rights of the holders of LP Other Secured Claims are unaltered by the Plan. Except to the extent that a holder of an Allowed LP Other Secured Claim agrees to different treatment, on the applicable Plan Distribution Date, each holder of an Allowed LP Other Secured Claim shall receive, at the election of the Plan Sponsors or LP Debtors, as applicable: (i) Plan Consideration in the form of Cash in an amount equal to such Allowed LP Other Secured Claim; or (ii) such other treatment that will render the LP Other Secured Claim unimpaired pursuant to section 1124 of the Bankruptcy Code. Each holder of an Allowed LP Other Secured Claim shall retain the Liens securing its Allowed LP Other Secured Claim as of the Effective Date until (A) full and final payment of such Allowed LP Other Secured Claim is made as provided in the Plan or (B) the Collateral securing such Liens is sold and such Liens shall attach to the respective

	proceeds of such sale to the extent attributable to such Collateral and with the same validity, priority, force and effect. Upon the full payment or other satisfaction of such Claims in accordance with the Plan, the Liens securing such Allowed LP Other Secured Claim shall be deemed released, terminated and extinguished, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order or rule or the vote, consent, authorization or approval of any Person.
Class 3 – Prepetition LP Facility Claims Impaired Estimated amount: $2,175,449,153	In full satisfaction, settlement, release and discharge of, and in exchange for, Prepetition LP Facility Claims, and except to the extent that a holder of an Allowed Prepetition LP Facility Claim agrees to less favorable treatment, each holder of an Allowed Prepetition LP Facility Claim shall receive, on the Funding Date, its Pro Rata Share of Plan Consideration remaining after (A) establishment of an appropriate reserve on the Funding Date for the payment of Allowed Unclassified Claims pursuant to Article III, (B) establishment of an appropriate reserve on the Funding Date for the payment of Allowed LP Other Priority Claims and Allowed LP Other Secured Claims pursuant to Section 5.1 and 5.2 of the Plan, respectively, and (C) establishment of an appropriate reserve for the payment of the LP General Unsecured Claims Distribution; provided, that, in the event that the Stalking Horse Bid is selected as the Successful Bid and the Funding Date occurs, the Plan Consideration distributed to holders of Allowed Prepetition LP Facility Claims, in full satisfaction, settlement, release and discharge of, and in exchange for, such Claims, shall equal $2,102,000,000 in the aggregate; and provided, further, in no event, shall any distributions to a holder of an Allowed Prepetition LP Facility Claim pursuant to Section 5.3(b) of the Plan be in excess of 100% of the amount of such holder's Allowed Prepetition LP Facility Claim.
Class 4 – LP General Unsecured Claims Impaired	In complete and final satisfaction, settlement, release, and discharge of, and in exchange for, LP General Unsecured Claims, and except to the extent that a holder of an Allowed LP General

Estimated amount: $8,000,000	Unsecured Claim agrees to less favorable treatment, on the applicable Plan Distribution Date, each holder of an Allowed LP General Unsecured Claim shall receive such holder's Pro Rata Share of (A) the LP General Unsecured Claims Distribution, and (B) to the extent Allowed LP General Unsecured Claims exceed the LP General Unsecured Claims Distribution, Plan Consideration remaining, if any, after payment in full of all Allowed Unclassified Claims, Allowed LP Other Priority Claims, Allowed LP Other Secured Claims, and Allowed Prepetition LP Facility Claims; provided, in no event shall such distribution(s) be in excess of 100% of the amount of its Allowed LP General Unsecured Claim.
Class 5 – Existing LP Preferred Units Equity Interests Impaired Estimated amount: $235,556,847	In complete and final satisfaction, settlement, release, and discharge of, and in exchange for, Existing LP Preferred Units Equity Interests, on the Effective Date, the Existing LP Preferred Units Equity Interests shall be cancelled and, except to the extent that a holder of an Allowed Existing LP Preferred Unit Equity Interest agrees to less favorable treatment, on the applicable Plan Distribution Date, each holder of an Existing LP Preferred Unit Equity Interest shall receive its Pro Rata Share of Plan Consideration remaining, if any, after payment in full of the Allowed LP General Unsecured Claims, including the amount (if any) of the LP General Unsecured Claims Distribution in excess of all Allowed LP General Unsecured Claims; provided, in no event shall such distribution(s) be in excess of 100% of the amount of its Allowed Existing LP Preferred Unit Equity Interest.
Class 6 – LP Common Equity Interests Impaired	In complete and final satisfaction, settlement, release, and discharge of, and in exchange for, LP Common Equity Interests on the Effective Date, LP Common Equity Interests shall be cancelled (except as set forth in Section 7.14 of the Plan) and, on the applicable Plan Distribution Date, each holder of an LP Common Equity Interest shall receive its Pro Rata Share of the Plan Consideration remaining, if any, after payment in full of the Existing LP Preferred Units Equity

	Interests.

The Plan Sponsors believe that the treatments of Claims and Equity Interests set forth in the Plan, and the terms and conditions of the Plan, make the Plan more favorable to stakeholders of the LP Debtors than any other plan for which such stakeholders could or do have a right to vote. At present, holders of Claims against and Equity Interests in the LP Debtors are classified in, and may be entitled to vote upon, the Debtors' Plan (as defined below) and the Harbinger Plan (as defined below). The Plan Sponsors believe that the Harbinger Plan is not confirmable and that both the Harbinger Plan and the Debtors' Plan expose holders of Claims against and Equity Interests in the LP Debtors to significant risks, contingencies, and delay. The Plan Sponsors further believe, as discussed in more detail in the section of the Disclosure Statement entitled "The Chapter 11 Cases – The Competing Plans and Disclosure Statements," that, notwithstanding the entry of the Disclosure Statement Order, the General Disclosure Statement (as defined below), the Debtors' Specific DS (as defined below) and the Harbinger Specific DS (as defined below) fail to provide information (or provide misleading information) relevant to a party's decision to accept or reject the Debtors' Plan and the Harbinger Plan.

Based upon the foregoing and as set forth herein, the Plan Sponsors believe that their Plan maximizes the distributable value of the LP Debtors and recoveries to holders of Claims against and Equity Interests in the LP Debtors. **THEREFORE, THE PLAN SPONSORS URGE ALL HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE LP DEBTORS THAT ARE ENTITLED TO VOTE ON THE PLAN TO VOTE TO ACCEPT THE PLAN AND TO REJECT THE COMPETING PLANS.**

V.

GENERAL INFORMATION

The information set forth below describes the Plan Sponsors and the LP Debtors and certain of their non-Debtor subsidiaries and affiliates (collectively, the "Company" or "LightSquared") and their businesses as they exist as of the date of this Disclosure Statement.[5]

A. Information Regarding the Plan Sponsors

The Plan is sponsored by certain holders of Prepetition LP Facility Claims who are members of the Ad Hoc LP Secured Group. These Plan Sponsors include Capital Research and Management Company, Cyrus Capital Partners, L.P., Fir Tree Capital Opportunity Master Fund, LP, Intermarket Corporation, SP Special Opportunities, LLC, and UBS AG, Stamford Branch. The Plan Sponsors are holders, advisors or affiliates of advisors to holders, or managers of various accounts with investment authority, contractual authority or voting authority, of Prepetition LP Facility Claims arising from loans made pursuant to the Prepetition LP Facility

[5] None of TVCC Holding Company, LLC, TVCC Intermediate Corp., Columbia One Six Partners IV, Inc., Columbia FMS Spectrum Partners IV, Inc., TVCC One Six Holdings LLC, CCMM I LLC or LightSquared (UK) Limited is a Debtor in the Chapter 11 Cases.

Credit Agreement (as defined below) described below in Section E.2. As of July 10, 2013, the Plan Sponsors or their affiliates were the advisors to or beneficial owners of, or the holders or managers of, various accounts with investment authority, contractual authority or voting authority for $1,346,606,450.74 in aggregate principal amount of the Prepetition LP Facility Claims [Docket No. 732]. The total aggregate amount of all Prepetition LP Facility Claims outstanding as of the Petition Date is $1,700,571,100.00.

The Ad Hoc LP Secured Group Advisors include White & Case LLP (Thomas E Lauria and Glenn M. Kurtz acting as lead counsel) and Blackstone Advisory Partners L.P. (Steven Zelin and C.J. Brown acting as lead financial advisors).

SP Special Opportunities, LLC, a member of the Ad Hoc LP Secured Group and a Plan Sponsor, is an affiliate of LBAC, which will be the Stalking Horse Bidder with respect to the LP Sale.

Each of the Plan Sponsors has committed to support confirmation of the Plan on the terms and conditions set forth in the Plan Support Agreement, dated July 23, 2013, by and among the Plan Sponsors and LBAC, a copy of which is annexed hereto as Exhibit "G."

B. Overview of the Company

The organizational chart, annexed hereto as Exhibit "C", illustrates the structure of the Company as of the Petition Date. Please note that this organizational chart does not show all legal entities in the corporate structure.

LightSquared Inc. was incorporated in Delaware in 1985. On March 29, 2010, SkyTerra Communications, Inc. ("SkyTerra"), LightSquared Inc.'s predecessor company, consummated a merger with Sol Private Corp., resulting in certain investment funds managed by Harbinger Capital Partners ("Harbinger") acquiring all of the outstanding stock of SkyTerra not previously held by Harbinger. Following the consummation of the merger, SkyTerra continued as the surviving corporation and was wholly-owned by Harbinger through HGW US Holding Company, L.P. ("HGW US"). SkyTerra subsequently changed its name to LightSquared Inc. on July 20, 2010.

As of the Petition Date, Harbinger indirectly owned approximately 96% of LightSquared Inc.'s outstanding common stock. LightSquared Inc. owns, directly or indirectly, approximately twenty-six (26) domestic and foreign subsidiaries organized in various jurisdictions throughout the United States and in three (3) foreign countries.

C. Overview of the Company's Business

Since its first satellite became operational in 1996, the Company has provided satellite communications services to wholesale purchasers of bandwidth power and capacity, resellers of telephone, data and dispatch services and retail voice users. As of the Petition Date, the Company's mobile satellite business generates approximately $30 million in annual revenue and provides service to approximately 300,000 end-users.

The Company has ownership interests in four (4) satellites. MSAT-1 and MSAT-2 (each of which is a first-generation geostationary satellite) are owned by SkyTerra (Canada) Inc. and LightSquared LP, respectively. MSAT-1 and MSAT-2 were launched in 1995 and 1996 and currently provide regular services to some of the Company's customers. In March 2012, they provided limited emergency back-up service to all of the Company's customers due to a solar flare, which temporarily disabled the SkyTerra-1 satellite, one of the Company's two next-generation satellites, until customers were transitioned back to SkyTerra-1 for service. The Company will also rely upon MSAT-1 and MSAT-2 until the SkyTerra-2 satellite (as discussed below) is launched. Although they are still operational, MSAT-1 and MSAT-2 have reached the ends of their design lives. They have, in the past, experienced anomalies and solid state power amplifier failures and do not operate at full capacity.

SkyTerra-1, one of the Company's two next-generation satellites, launched in November 2010 and is now operational. SkyTerra-1 is owned by LightSquared LP. SkyTerra-2, the Company's other next-generation satellite, was constructed and is being stored with The Boeing Company ("Boeing"). Currently, Boeing retains title to SkyTerra-2. When SkyTerra-2 is launched, title will shift to LightSquared LP and, once in orbit, to SkyTerra (Canada) Inc. SkyTerra-2 will be located in a Canadian allocated orbital slot in accordance with an in-orbit transfer agreement between LightSquared LP and SkyTerra (Canada) Inc.

The Company currently operates three (3) lines of business, including Mobile Satellite Communications ("MSAT"), Mobile Data Services ("MDS") and Private Network Carriers ("PNC") through a wholesale business model whereby its partners bill the end-users, and the Company bills its partners at a wholesale rate. Through these three lines of business, the Company has over fifteen (15) wholesale partners that collectively support approximately 300,000 subscribers across several markets throughout North America.

1. The Debtors' Satellite Business

a. *MSAT Business*

The Company's MSAT business provides circuit-switched voice, low data rate services and push-to-talk ("PTT") services, which are sold through the Company's authorized wholesale service providers and are utilized by a variety of governmental agencies at the federal, state and local level, as well as by various markets in the enterprise space. The Company's MSAT business is operated by LightSquared LP and LightSquared Corp. in the United States and Canada, respectively, by virtue of their licenses in those jurisdictions. Federal, state and local agencies have voluntarily banded together with the Company in a public-private partnership to create the Satellite Mutual Aid Radio Talkgroup program—enabling nationwide and regional interoperability at no additional cost to Company users. The Company claims to be the only commercial satellite operator in North America offering PTT service.

b. *MDS Business*

The Company's second line of business, MDS, is a low data rate service offering used primarily for applications such as fleet and load management, email, vehicle tracking, two-way

messaging and broadcast messaging. Like the Company's MSAT services, MDS is sold through the Company's authorized wholesale service providers and is utilized by various end-users.

c. *PNC Business*

Finally, the Company's third line of business, PNC, enables customers to lease bandwidth from the Company over which they offer custom satellite data solutions (typically, asset tracking services for truck and rail) to a wide variety of end-users. In connection therewith, the Company's PNC customers are responsible for developing a custom air interface, providing hub, end-user equipment and servicing end-users.

2. The Debtors' Terrestrial Component of Satellite Business and 4G LTE

In the late 1990s, the Company determined that adding a terrestrial (*i.e.*, land-based) component to its satellite system would optimize the use of the L-Band. The Company also determined that a significant market opportunity was created for a wholesale-only, 4th Generation Long Term Evolution ("4G LTE") wireless broadband network due to, among other things, (a) the proliferation of new mobile devices, such as smartphones and tablets, which accelerated demand for ubiquitous, on-the-go data-rich Internet services, (b) limited wireless network capacity available to support increased data usage and (c) substantial costs and barriers to entry preventing smaller carriers and new operators from deploying nationwide 4G LTE networks. Accordingly, the Company initiated the process of building the only 4G LTE open wireless broadband network that incorporates satellite coverage throughout North America.

3. The Company's Spectrum

The Company's licensed, leased and pooled 51 MHz of spectrum consists of the following:[6]

- *24 MHz.* 24 MHz of L-Band Mobile Satellite Service ("MSS") spectrum is held by LightSquared Subsidiary LLC and SkyTerra (Canada) Inc. These spectrum holdings are subject to the following licenses granted by the FCC or Industry Canada to LightSquared Subsidiary LLC or SkyTerra (Canada) Inc., each a wholly-owned indirect subsidiary of LightSquared LP:
    - A license to launch and operate L-Band MSS satellites known at the time as: (a) AMSC-1 (now named MSAT-2), which operates at the 103.3 West Longitude orbital position, and (b) MSV-1 (re-named SkyTerra-1), which operates at the 101 West Longitude orbital position.

[6] One Dot Four Corp., a wholly-owned direct subsidiary of LightSquared Inc., previously also leased an additional 8 MHz of 1.4 GHz of terrestrial spectrum at the 1390–1395 MHz and 1432–1435 MHz frequencies to offer service in the United States from TerreStar 1.4 Holdings LLC (a bankruptcy remote subsidiary of TerreStar Corporation). This lease (the "One Dot Four Lease"), however, was terminated on April 20, 2012, thereby terminating the Company's access to this portion of the spectrum.

- A license to launch and operate an L-Band MSS satellite known as MSAT-1, which operates at the 106.5 West Longitude orbital position and an Approval in Principle to launch and operate MSV-2 (re-named SkyTerra-2), at the 107.3 West Longitude orbital position.

- Multiple spectrum licenses and authorizations to make use of the Company's portion of the 1626.5—1660.5 MHz (Uplink) and 1525—1559 MHz (Downlink) L-Band spectrum for service links and the 12.75–13.25 GHz (Uplink) and 10.7–10.95, 11.2—11.45 GHz (Downlink) spectrum for feeder links in the provision of MSS services in Canada and the United States via the MSAT-1, MSAT-2, SkyTerra-1 and SkyTerra-2 satellites.

- In 2003, the FCC permitted MSS licensees, including the predecessor of LightSquared Subsidiary LLC, to deploy Ancillary Terrestrial Component ("ATC") networks (subject to certain technical and service requirements), which meant that the Company could operate a terrestrial wireless network.

- In March 2010, the FCC issued an order granting a predecessor of LightSquared Subsidiary LLC additional flexibility for the design of its ATC network and enabling it to operate with greater capacity and spectrum efficiency.

- *Additional 22 MHz.* The 24 MHz of L-Band MSS spectrum held by LightSquared Subsidiary LLC and SkyTerra (Canada) Inc. may be increased by 22 MHz to an aggregate of 46 MHz of L-Band ATC spectrum pursuant to that certain Amended and Restated Cooperation Agreement, dated as of August 6, 2010 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Inmarsat Cooperation Agreement"), by and between LightSquared LP, SkyTerra (Canada) Inc., LightSquared Inc. and Inmarsat Global Limited ("Inmarsat"). In the current phase of the Inmarsat Cooperation Agreement, LightSquared Subsidiary LLC and SkyTerra (Canada) Inc. hold a total of 24 MHz of L-Band spectrum. Upon the achievement of certain events, including regulatory approvals and coordination among other international L-Band operators, LightSquared LP and SkyTerra (Canada) Inc. will have the option to implement coordinated access for up to 2 x 23 MHz of L-Band spectrum (including large 10 x 10 MHz blocks of contiguous channels), thereby increasing those LP Debtors' access to spectrum by implementation of the Inmarsat Cooperation Agreement.

- *5 MHz.* An additional 5 MHz of 1.6 GHz leased terrestrial spectrum of One Dot Six Corp., a wholly-owned direct subsidiary of LightSquared Inc., is available. On July 16, 2007, TVCC One Six Holdings LLC, an indirectly wholly-owned and non-Debtor subsidiary of Debtor One Dot Six Corp., entered into a Master Agreement with Crown Castle MM Holding LLC and OP LLC ("OP" and, together with Crown Castle MM Holding LLC, "Crown Castle"), in which the parties agreed to enter into either a long-term de facto transfer lease agreement or a spectrum management lease agreement with respect to the lease by OP of its rights to TVCC One Six Holdings LLC under a license issued by the FCC to use spectrum at the 1670–1675 MHz frequencies and Call Sign WPYQ831 in the United States. On April 13, 2010, One Dot Six Corp. acquired all of

TVCC One Six Holdings LLC's rights to use this spectrum under its lease with Crown Castle pursuant to that certain Lease Purchase Agreement, between One Dot Six Corp., as purchaser, TVCC One Six Holdings LLC, as seller, and TVCC Holding Company, LLC (the "One Dot Six Lease Purchase Agreement" and, collectively with all rights conveyed thereby to One Dot Six Corp. in that certain (i) Long-Term De Facto Transfer Lease Agreement, dated as of July 23, 2007, between OP, as lessor, and TVCC One Six Holdings, LLC, as lessee, and (ii) the Long-Term De Facto Transfer Sublease Agreement, dated as of August 13, 2008, between OP, as lessee, and TVCC One Six Holdings, LLC, as lessor, the "One Dot Six Lease"). One Dot Six Corp. also has a purchase option to acquire the underlying FCC licenses for this spectrum.

All of the spectrum described in this section is subject to the challenges and/or uncertainties as described in the section of this Disclosure Statement entitled "The Chapter 11 Cases – Postpetition FCC Developments."

4. The Company's Wholesale Agreements

Prior to the deterioration of its FCC regulatory approval process (as discussed in further detail below), LightSquared LP had been marketing its wholesale 4G LTE solution. As of December 31, 2011, LightSquared LP entered into wholesale agreements with over thirty (30) customers, including national and regional wireless operators and national retailers. LightSquared LP also entered into discussions or advanced negotiations with numerous potential wholesale customers within a variety of sectors, including wireless carriers and resellers, national retailers, consumer electronics manufacturers, cable operators, wireline carriers, satellite operators, and other communication service providers.

D. Material Operational Contracts

1. Sprint Master Services Agreement

LightSquared Inc. and LightSquared LP were also parties to that certain Master Services Agreement, dated as of June 3, 2011 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Sprint Master Services Agreement"), with SprintCom Inc. ("Sprint"), pursuant to which Sprint agreed to design, deploy, operate, manage, and maintain a nationwide terrestrial broadband mobile network that would utilize the Company's spectrum to provide a 4G LTE radio access network, then a key component of the planned 4G LTE network. LightSquared LP initially paid Sprint $310 million in advance payments for work on the network and its eventual operation. Obligations outstanding under the Sprint Master Services Agreement were allegedly secured by a second-priority security interest in the Prepetition LP Collateral (as defined below).

In January 2012, LightSquared LP jointly decided with Sprint to temporarily cease deployment activities for the 4G LTE radio access network until issues raised during the FCC process were resolved and the Company could move forward with commercially launching its 4G LTE network. The Sprint Master Services Agreement was also amended to delay the initial date on which Sprint has the right to unwind the agreement from December 31, 2011 to March 16, 2012.

On March 16, 2012, Sprint elected to unwind the Sprint Master Services Agreement. In accordance with the terms of the amended agreement, Sprint refunded $65 million to LightSquared LP. LightSquared LP agreed with Sprint that $236.5 million paid during 2011 had been expended by Sprint in planning for the 4G LTE radio access network and would not be refunded to LightSquared LP. The remaining $8.5 million LightSquared LP paid to Sprint during 2011 was analyzed by the parties to determine how much had been expended by Sprint in support of the agreement and how much would be refunded to LightSquared LP. In furtherance thereof, each party ceased to provide certain specified services, reconciled all amounts owing as between them and coordinated the release of the liens securing the Company's obligations. As of the Petition Date, the Debtors did not believe any amounts were owing to Sprint under the Sprint Master Services Agreement; however, Sprint filed Proofs of Claim against LightSquared Inc. and LightSquared LP in excess of $110 million. Sprint's claims were ultimately resolved by settlement between the parties that was approved by the Bankruptcy Court, as described in more detail in the section of this Disclosure Statement entitled "The Chapter 11 Cases – Settlement Agreement with Sprint."

2. Inmarsat

In December 2007, LightSquared LP, LightSquared Inc. and SkyTerra (Canada) Inc. (collectively, the "LightSquared Inmarsat Licensees") entered into the Inmarsat Cooperation Agreement relating to the coordination and use of L-Band spectrum for its 4G LTE network. Following the full implementation of the Inmarsat Cooperation Agreement, which involves the phased rebanding of certain L-Band spectrum licensed to Inmarsat and the LightSquared Inmarsat Licensees, the LightSquared Inmarsat Licensees would have access to approximately 46 MHz of contiguous blocks of L-Band spectrum to operate the Company's 4G LTE network and next generation satellite network. The 46 MHz of L-Band spectrum would consist of 28 MHz of coordinated spectrum and 18 MHz of additional L-Band spectrum that will be available for use upon the full implementation of the Inmarsat Cooperation Agreement.

In August 2010, LightSquared Inmarsat Licensees exercised an option under Phase 1A of the Inmarsat Cooperation Agreement, pursuant to which the parties began reallocating their respective spectrum. Under the Phase 1A option, the LightSquared Inmarsat Licensees paid Inmarsat a total of $281.3 million through December 31, 2011. The Inmarsat Cooperation Agreement required the LightSquared Inmarsat Licensees to make a $56.3 million payment upon Inmarsat's completion of Phase 1A.

In January 2011, the LightSquared Inmarsat Licensees exercised an option under Phase 2B of the Inmarsat Cooperation Agreement that requires Inmarsat to grant the LightSquared Inmarsat Licensees operating access to 18 MHz of L-Band spectrum for up to a 96-year period. In connection with the exercise of the option, the LightSquared Inmarsat Licensees were initially obligated to pay Inmarsat $115.0 million per year, paid in quarterly installments. These annual payments increase at an annual rate of 3%, on a semi-annual basis and compounded annually. The LightSquared Inmarsat Licensees have the ability to terminate these payments by providing a one-year notice, provided that at least five years of Phase 2B payments have been made, or at least a two-year notice if the LightSquared Inmarsat Licensees terminate after making seven years of Phase 2B payments.

In April 2011, the LightSquared Inmarsat Licensees amended the Inmarsat Cooperation Agreement to create Phase 1.5, which accelerates the availability of certain of the L-Band spectrum that is being reallocated under Phase 2B. In connection with this amendment, the LightSquared Inmarsat Licensees paid $40 million to Inmarsat, which is refundable if certain milestones are not met by specified dates. Future cash payments by the LightSquared Inmarsat Licensees may be due if Inmarsat completes the reallocation by certain dates. Satisfactory reallocation by Inmarsat prior to April 1, 2012 would require the LightSquared Inmarsat Licensees to pay Inmarsat an additional $55 million, with such an additional payment decreasing $10 million per month for later completion. Satisfactory reallocation by Inmarsat subsequent to October 1, 2012 would result in a refund to the LightSquared Inmarsat Licensees of $10 million, with such refund increasing $10 million per month until a full refund to the LightSquared Inmarsat Licensees of the LightSquared Inmarsat Licensees' $40 million payment has been reached in January 2013.

In January 2012, Inmarsat asserted that it had met all of the delivery obligations required of it under Phase 1A of the Inmarsat Cooperation Agreement, which, if correct, would have triggered a final payment of $56.3 million from the LightSquared Inmarsat Licensees. The LightSquared Inmarsat Licensees disputed Inmarsat's claim that it had met all of the obligations to complete the delivery as required under the Inmarsat Cooperation Agreement and the corollary right to claim the final Phase 1A payment at that time. In February 2012, Inmarsat issued to the LightSquared Inmarsat Licensees a formal notice of default for non-payment of the final Phase 1A payment. Assuming that Inmarsat completed delivery and that payment was due, the LightSquared Inmarsat Licensees would be able to cure the default with respect to the payment for 60 days from the notice of default, after which time the parties may revert to the default spectrum band plans if the default was not timely cured. Inmarsat would also have available to it all other remedies in law. If the parties revert to the default spectrum band plans, the operative plan would be the Phase 1A1 Default Spectrum Band Plan and the LightSquared Inmarsat Licensees would have 25.5 MHz of L-Band spectrum available to it as opposed to the 28 MHz of L-Band spectrum available under Phase 1A. The parties would then permanently operate under the Phase 1A1 Default Spectrum Band Plan and no further phases under the Inmarsat Cooperation Agreement would be implemented. In addition, any payment default that gives Inmarsat the ability to terminate the Inmarsat Cooperation Agreement could result in a cross-default to the Prepetition Inc. Credit Agreement (as defined below) and Prepetition LP Facility Credit Agreement (as defined below). In March 2012, Inmarsat asserted that it had met all of the delivery obligations required of it under Phase 1.5 of the Inmarsat Cooperation Agreement, which, if correct, triggers a payment due from the LightSquared Inmarsat Licensees of $55 million. Similar to Inmarsat's claim in January 2012 in regards to the completion of Phase 1A, the LightSquared Inmarsat Licensees disputes that Inmarsat has met its delivery obligations with respect to Phase 1.5.

Pursuant to that certain Amendment No. 2 to the Inmarsat Cooperation Agreement, on April 18, 2012 the LightSquared Inmarsat Licensees agreed to: (a) suspend Phase 2 (as defined in the Inmarsat Cooperation Agreement) of the Inmarsat Cooperation Agreement until March 31, 2014, with the understanding that the LightSquared Inmarsat Licensees may, at their option, elect to restart Phase 2 prior to such date on the terms set out in such Amendment No. 2; (b) eliminate, during such period of suspension, any Phase 2 payments to Inmarsat, including the quarterly payment of approximately $29.6 million due on March 31, 2012 (which, if not paid, would have

triggered cross-defaults under both the Prepetition Inc. Credit Agreement and the Prepetition LP Facility Credit Agreement); and (c) recommence, as of April 1, 2014 or an earlier date as elected by the LightSquared Inmarsat Licensees, Phase 2 payments based on a restructured payment plan set out in such Amendment No. 2 that will differ from the previous Phase payments. In addition, a payment for certain transition services was renegotiated within the scope of the amended terms for Phase 2.

E. Prepetition Capital Structure

1. Prepetition Inc. Facility[7]

Certain of the Debtors are party to that certain Credit Agreement, dated as of July 1, 2011 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Prepetition Inc. Credit Agreement"), between LightSquared Inc., as borrower, the subsidiary guarantors party thereto, namely One Dot Four Corp., One Dot Six Corp. and One Dot Six TVCC Corp. (collectively, the "Prepetition Inc. Subsidiary Guarantors"), the lenders party thereto (collectively, the "Prepetition Inc. Lenders") and U.S. Bank National Association ("U.S. Bank"), as successor administrative agent to UBS AG, Stamford Branch (in such capacity, the "Prepetition Inc. Agent"). The Prepetition Inc. Lenders provided LightSquared Inc. term loans in the aggregate principal amount of $278,750,000 (the "Prepetition Inc. Credit Facility"). Pursuant to that certain Waiver and Second Amendment to Credit Agreement, dated as of March 15, 2012 (the "Inc. Waiver and Amendment"), between LightSquared Inc., the Prepetition Inc. Subsidiary Guarantors, the Prepetition Inc. Lenders and the Prepetition Inc. Agent, the maturity date for the Prepetition Inc. Credit Facility was extended from July 1, 2012 to December 31, 2012.

Amounts outstanding under the Prepetition Inc. Credit Facility are allegedly secured by a first-priority security interest in (a) the One Dot Six Lease, (b) the capital stock of each Prepetition Inc. Subsidiary Guarantor (i.e., One Dot Four Corp., One Dot Six Corp. and One Dot Six TVCC Corp.) and (c) all proceeds and products of each of the foregoing (collectively, the "Prepetition Inc. Collateral").[8]

As of the Petition Date, an aggregate amount of approximately $322,333,494 was outstanding under the Prepetition Inc. Credit Facility.

2. Prepetition LP Facility

The LP Debtors are party to that certain Credit Agreement, dated as of October 1, 2010 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Prepetition LP Facility Credit Agreement"), between LightSquared LP, as borrower,

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[7] Nothing in this subsection of the Disclosure Statement should be construed as an admission of any fact or liability, stipulation or waiver, and any analysis of the Prepetition Inc. Facility is qualified in its entirety by the Standing Motion (as defined below), as described in the section of this Disclosure Statement entitled "The Reorganization Cases – Standing Motion."

[8] Previously, the Prepetition Inc. Credit Facility also was collateralized by the One Dot Four Lease. However, such lease is no longer part of the collateral package given that such lease has been terminated (as discussed above).

LightSquared Inc. and the other parent guarantors party thereto, namely LightSquared Investors Holdings Inc., LightSquared GP Inc. and TMI Communications Delaware, Limited Partnership (collectively, the "Prepetition LP Parent Guarantors"), the subsidiary guarantors party thereto, namely ATC Technologies, LLC, LightSquared Corp., LightSquared Inc. of Virginia, LightSquared Subsidiary LLC, SkyTerra Holdings (Canada) Inc. and SkyTerra (Canada) Inc. (collectively, the "Prepetition LP Subsidiary Guarantors"), the lenders party thereto (the "LP Lenders" and, together with the Prepetition Inc. Lenders, the "Prepetition Lenders"), UBS AG, Stamford Branch, as administrative agent (in such capacity, and together with Wilmington Trust FSB,[9] the "Prepetition LP Facility Agent" and, together with the Prepetition Inc. Agent, the "Prepetition Agents"), and other parties thereto, under which the LP Lenders provided term loans in the aggregate principal amount of $1,500,000,000 (the "Prepetition LP Credit Facility").

Claims arising under the Prepetition LP Credit Facility (the "Prepetition LP Facility Claims") are secured by a first-priority security interest in (a) substantially all of the Assets of LightSquared LP and the Prepetition LP Subsidiary Guarantors, (b) the interests in LightSquared LP and the Prepetition LP Parent Guarantors (except LightSquared Inc.), (c) the interests in the Prepetition LP Subsidiary Guarantors and (d) the rights of LightSquared Inc. under and arising out of the Inmarsat Cooperation Agreement (collectively, the "Prepetition LP Collateral").[10]

As of the Petition Date, an aggregate amount of approximately $1,700,571,106.00 was outstanding under the Prepetition LP Credit Facility.

3. Unsecured Debt

The Debtors filed their Schedules of Assets and Liabilities and Statements of Financial Affairs (collectively, the "Financial Schedules") with the Bankruptcy Court on June 27, 2012 [Docket Nos. 154–173]. According to their Financial Schedules, as of the Petition Date, each of the LP Debtors had the following unsecured debts:

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[9] Wilmington Trust FSB serves as collateral trustee pursuant to that certain Collateral Trust Agreement, dated as of October 1, 2010 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "LP Collateral Trust Agreement"), between LightSquared LP, UBS AG, Stamford Branch and Wilmington Trust FSB.

[10] The Prepetition LP Collateral does not include the following: (a) any permit or license issued by a Governmental Authority (as defined in the LightSquared LP Credit Agreement) or other agreement to the extent the terms thereof validly prohibit the creation by the pledgor thereof of a security interest in such permit, license or other agreement; (b) property subject to any purchase money or vendor financing if the contract or other agreement in which such lien is granted validly prohibits the creation of any other lien on such property; (c) property subject to any capital lease; (d) any intent-to-use trademark application to the extent a security interest therein would result in the loss by the pledgor thereof of any material rights therein; (e) 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; (f) Interests in (i) excess of 66% in non-U.S. subsidiaries held by a U.S. subsidiary, (ii) LightSquared Network LLC, and (iii) any joint venture or similar entity to extent the terms of such investment restrict such security interest; and (g) any consumer goods subject to the Canadian Security Agreement (as defined in the LightSquared LP Credit Agreement).

- LightSquared LP – $1,881,493.13 owed to trade creditors plus undetermined amounts comprised of intercompany liabilities and contingent liabilities, mostly to trade creditors and former employees;
- SkyTerra Holdings (Canada) Inc. – $0.00 plus undetermined amounts in intercompany liabilities;
- SkyTerra (Canada) Inc. – $29,406,512.00 comprised completely of one intercompany payable claim to LightSquared Corp. plus undetermined amounts in other intercompany liabilities;
- ATC Technologies, LLC – $0.00 plus undetermined amounts in intercompany liabilities;
- LightSquared Corp. – $157,722.29 owed to trade creditors plus undetermined amounts comprised of intercompany liabilities and one contingent liability claim;
- LightSquared Inc. of Virginia - $0.00 plus undetermined amounts in intercompany liabilities); and
- LightSquared Subsidiary LLC - $0.00 plus undetermined amounts in intercompany liabilities.

4. Equity Interests

a. *LightSquared LP Series A Preferred Units.*

LightSquared LP has 164,646.47 outstanding non-voting Series A Preferred Units (the "Existing LP Preferred Units Equity Interests"). Subject to certain consent rights, Existing LP Preferred Units Equity Interests have no voting rights. Consent of a majority of the Existing LP Preferred Units Equity Interests is required to make certain amendments to LightSquared LP's organizational documents, effect certain capital contributions, issue securities that are senior or *pari passu* to the Existing LP Preferred Units Equity Interests with respect to distributions, pay certain dividends or incur certain indebtedness. The Existing LP Preferred Units Equity Interests are exchangeable into shares of common stock of LightSquared Inc. at any time at the option of the holders, and are subject to mandatory exchange at LightSquared Inc.'s option upon the occurrence of certain events. The Existing LP Preferred Units Equity Interests are subject to mandatory redemption on the date that is five (5) years after the issue date of such Existing LP Preferred Units Equity Interests and at the option of LightSquared LP or the holder of such Existing LP Preferred Units Equity Interests upon the occurrence of certain events. The Existing LP Preferred Units Equity Interests rank senior with respect to distributions to LP Common Equity Interests; no distributions can be made to holders of LP Common Equity Interests unless and until each holder of Existing LP Preferred Units Equity Interests is paid an amount equal to (i) the aggregate unpaid priority return in respect of all of such holder's Existing LP Preferred Units Equity Interests plus (ii) the aggregate Unpaid Discount Amount in respect of all of such holder's Existing LP Preferred Units Equity Interests plus (iii) such holder's Unreturned Capital Contributions (in each case, as such terms are defined in the Second Amended and Restated Limited Partnership Agreement of LightSquared LP, dated as of October 18, 2010).

b. *LP Common Equity Interests.*

All LP Common Equity Interests are indirectly owned by LightSquared Inc. LightSquared Investors Holdings Inc. and TMI Communications Delaware, Limited Partnership; each directly owns 78% and 22% (respectively) of the LP Common Equity Interests.

c. *Equity Interests in the LP Debtors*

LightSquared LP owns directly or indirectly all of the Equity Interests in each of the other LP Debtors. LightSquared LP also owns entirely and directly all of the Equity Interests in Debtors LightSquared Network LLC and LightSquared Bermuda Ltd. and non-Debtor LightSquared (UK) Limited.

F. The LightSquared LP Limited Partnership Agreement

LightSquared Investors Holdings, Inc., TMI Communications Delaware, Limited Partnership, and LightSquared GP Inc. are parties to the LightSquared LP Limited Partnership Agreement, dated October 18, 2010 (the "Partnership Agreement"). None of these entities are LP Debtors. Under the Partnership Agreement, LightSquared GP Inc. serves as general partner, while LightSquared Investors Holdings, Inc. and TMI Communications Delaware, Limited Partnership are limited partners. The Partnership Agreement governs, among other things, the purpose and powers of the partnership, capital contributions, and the liabilities of the partnership and each limited partner.

The Ad Hoc Preferred LP Group, which represents certain holders of Existing LP Preferred Units Equity Interests, believes that the treatment of the Existing LP Preferred Units Equity Interests under any plan confirmed in these cases would constitute a repayment under the "Optional Repayment" provisions of section 9.6(a) of the Partnership Agreement, which provides that the general partner of LightSquared LP may redeem Existing LP Preferred Units Equity Interests at the "Premium Redemption Amount," which provides for an annual internal rate of return, as more fully described in the Partnership Agreement. It has also been claimed that LightSquared LP may owe an "Unpaid Priority Return," an "Unpaid Discount Amount" and/or an "Unreturned Capital Contribution" to the holders of Existing LP Preferred Units Equity Interests. The Plan Sponsors and Ad Hoc LP Secured Group take no position on this issue at this time.

G. The LP Debtors' Employees

LightSquared LP has 80 full-time employees and 2 part-time employees. LightSquared Corp. has 40 full-time employees. None of the other LP Debtors have employees.

H. Events Leading to the Need for Restructuring

1. The Harbinger Merger and Development of the 4G LTE Network

On March 29, 2010, LightSquared Inc. consummated the Harbinger Merger with a corporation formed and indirectly wholly-owned by investment funds controlled by Harbinger. Following the Harbinger Merger, the Company adopted a business strategy to design and deploy

its 4G LTE network. During the second quarter of 2010, the Company began to execute its new business strategy by hiring a new senior management team, engaging network equipment and deployment vendors, coordinating spectrum with Inmarsat under the Inmarsat Cooperation Agreement, seeking regulatory approvals, working with chipset and device manufacturers, and marketing the Company's 4G LTE solution to potential wholesale customers. During the remainder of 2010, the Company continued these efforts and undertook a number of additional activities in connection with the execution of the Company's business plan.

Harbinger contributed to the Company rights to 8 MHz of 1.4 GHz spectrum and 5 MHz of 1.6 GHz spectrum, respectively, the Company exercised its option for Phase 1A under the Inmarsat Cooperation Agreement, and the Company successfully launched its SkyTerra-1 satellite. During 2011, the Company continued its efforts to develop its 4G LTE network, coordinate spectrum with Inmarsat under the Inmarsat Cooperation Agreement and obtain regulatory approvals. In January 2011, the Company triggered Phase 2B under the Inmarsat Cooperation Agreement. In April 2011, the Company amended the Inmarsat Cooperation Agreement to add Phase 1.5. In June 2011, the Company entered into the Sprint Master Services Agreement. The Company also signed several other wholesale agreements with customers including Best Buy Connect LLC and Leap Wireless International, Inc.

2. FCC Process

a. *Early 2000s*

On March 1, 2001, Motient Services Inc., an entity that subsequently sold its assets to Mobile Satellite Ventures LP ("Mobile Satellite") (now LightSquared LP), and Mobile Satellite Ventures Subsidiary LLC (now LightSquared Subsidiary LLC) submitted an application to the FCC seeking authority for an innovative new wireless service to be operated in conjunction with its MSS license. The FCC initiated a rulemaking proceeding regarding the establishment of rules for the Company's wireless network, specifically identifying potential emissions interference to Global Positioning Systems ("GPS") as an area of inquiry.[11] This public proceeding lasted over four (4) years and involved scores of interested parties, including the GPS industry and other federal agencies.

During that period, the GPS industry's concerns centered on out-of-band emissions. To resolve such concerns, the United States GPS Industry Council (the "USGIC") and Mobile Satellite entered into a private, voluntary agreement in 2002 whereby Mobile Satellite consented to certain limitations on its out-of-band emissions into the GPS band that were far more rigorous than those required by the FCC. Despite the significant cost and burden imposed on Mobile Satellite by such agreement, Mobile Satellite incorporated the new limits into its revised application to the FCC filed on July 17, 2002 with the support of the USGIC.

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[11] The source of GPS incompatibility concerns stemmed from the proximity to the Company's spectrum to the GPS band. The Company is authorized to operate in 46 MHz of the L-Band spectrum, including the portion of spectrum between 1525—1559 MHz. GPS operates in the 1559—1610 MHz band, directly adjacent to the Company's allocated frequencies. According to the Company, however, the GPS industry designed its receivers in a manner that makes them capable of receiving signals from the Company's allocated portion of the spectrum.

Thereafter, in 2003, the FCC adopted rules (the "2003 Rules") permitting MSS licensees, after satisfying certain preconditions known as "gating criteria," to integrate an ATC into their satellite networks, which would enable MSS licensees to offer ground-based mobile services using the same spectrum resources already allocated to their MSS operations (the "2003 FCC Order"). Pursuant to the 2003 FCC Order, the Company submitted a new application requesting authorization to deploy and operate a terrestrial network, and the USGIC filed a letter in support thereof. Consequently, in 2004, the FCC granted the Company's application to deploy and operate a terrestrial network, thereby making the Company the first MSS licensee authorized to operate on a terrestrial basis. The Company thereafter began investing significant funds to design and deploy its 4G LTE open wireless broadband network and, in furtherance thereof, commissioned its two next-generation satellites, SkyTerra-1 and SkyTerra-2.

b. *2005-2010*

In 2005, the FCC revised many of the technical standards governing terrestrial operations in the L-Band, and specifically removed a limit it had imposed in the 2003 Rules on the number of terrestrial base stations that an MSS/ATC provider may deploy (the "2005 Reconsideration Order"). In connection therewith, the FCC received and incorporated into each of those rules extensive input from the public and federal agencies, including recommendations offered by the USGIC and the National Telecommunications and Information Administration (the "NTIA") that would protect against harmful emissions from MSS/ATC operations into other bands, including the GPS frequency bands. No party in those proceedings raised any issue of possible overload to GPS receivers.

Since the 2005 Reconsideration Order, the Company has continued to participate in FCC proceedings concerning the terms and conditions of its licenses, even as it concurrently moved toward deployment of its integrated network. During those proceedings, the FCC, the Company and members of the GPS community continued to address and resolve concerns raised by the GPS community. Specifically, on July 10, 2009, in connection with the FCC's consideration of an application to modify an MSS/ATC license held by the Company, the GPS community expressed a concern that out-of-band emissions from "femtocells" (*i.e.*, low-power indoor base stations designed to improve network coverage inside buildings) could potentially be incompatible with GPS. Working cooperatively with the GPS industry, SkyTerra Subsidiary LLC ("SkyTerra Subsidiary") entered into a private agreement with the USGIC, in which the SkyTerra Subsidiary voluntarily agreed to restrict the out-of-band emissions of its femtocells. Thereafter, the USGIC and SkyTerra Subsidiary submitted a joint letter to the FCC stating that the USGIC's concerns had been resolved. Given that (a) technical modifications to the license were again coordinated with, and agreed to by, the Executive Branch of the U.S. government, and (b) no other concerns were raised with respect to GPS interference, in March 2010, the FCC granted the modification application, acknowledging that the voluntary agreements between the SkyTerra Subsidiary and the USGIC resolved any interference issue.

c. *2010 and Beyond*

In 2010, the FCC approved the transfer of control of the entity now known as LightSquared Subsidiary LLC, which held the underlying license. The FCC conditioned its approval of the transfer on the Company actually moving forward with its plan to use its MSS

spectrum to provide 4G LTE mobile wireless service and to build a terrestrial network. To ensure that goal was met, the FCC imposed a build-out schedule on the Company, requiring coverage of at least 100 million people by December 31, 2012, at least 145 million by December 31, 2013, and at least 260 million people by December 31, 2015. No party sought reconsideration of that build-out requirement. The Company, in reliance on this approval and to ensure that it satisfied the FCC's conditions to approval in full, invested billions of dollars and entered into the Sprint Master Services Agreement and other agreements to deploy its nationwide wireless broadband network.

In November 2010, the Company sought a modification to its ATC authorization that would allow the Company to meet the MSS/ATC gating criteria in a way that would provide additional flexibility with respect to mobile devices (such as handsets). As originally adopted in 2003 and confirmed in the 2005 Reconsideration Order, the gating criteria are rules the FCC applies to the provision of ATC service that are intended to ensure that the operator maintains a substantial mobile satellite service. One gating criterion requires the MSS/ATC operator to provide an "integrated service," meaning a service that integrates both the satellite and terrestrial services. While the FCC left open how operators could meet the integrated service requirement, it did establish a safe harbor that assumes compliance if the devices used by consumers are capable of communicating with both the satellite and terrestrial networks. These devices are referred to as "dual-mode devices." The Company's application in November 2010 sought permission for the Company's wholesale customers to provide their retail consumers with devices that only connected with the terrestrial network, provided that the Company offered its wholesale customers a single rate for access to both the satellite and terrestrial network, regardless of whether they used both of them.

In determining whether to approve the application, the FCC considered that (a) the Company was significantly committed to MSS satellite service, (b) the Company's MSS/ATC business plan necessarily included rationalization of interleaved L-Band spectrum into contiguous blocks that would support next generation broadband technologies and (c) the Company had made enforceable commitments that would increase the availability of terrestrial mobile wireless broadband service, including to new users in rural areas and the public safety community. In recognition of these considerations, the FCC granted the Company a limited waiver (the "Conditional Waiver Order") of the rule, and addressed the Company's obligations with respect to mobile devices that wholesale customers would make available to their retail customers for use on the Company's MSS/ATC network.

During the waiver proceeding on requirements for mobile devices, however, the GPS community raised concerns that downlink operations of the Company's terrestrial base stations (*i.e.*, its cell towers) could cause widespread overload to GPS receivers. These new concerns centered around the fact that many GPS devices can "see" frequencies outside of the GPS band, including frequencies in the Company's band, thus creating the possibility that a relatively powerful signal from one of the Company's base stations could overload a GPS receiver.

In response to the concerns of the GPS community,[12] the FCC established conditions that the Company must satisfy before it can provide commercial service under the mobile device provisions of the Conditional Waiver Order. Specifically, the FCC required the Company to work with the GPS community to resolve any concerns with respect to incompatibility with GPS receivers through a technical working group process, which process would be deemed finished when the FCC (after consultation with the NTIA) concludes that the potential harmful interference concerns have been resolved, before the Company would move forward to launch its competitive 4G LTE service.

In connection with the technical working group process, on June 30, 2011, the Company submitted the final report of the technical working group that it co-chaired with the USGIC. The FCC issued a public notice in connection therewith seeking comments and also subsequently requested additional technical submissions and testing. Thus, in the ensuing months, various tests were conducted by various federal agencies, including the NTIA and the Federal Aviation Administration, in coordination with the Company, to validate data on the performance of cellular, personal/general navigation and certified aviation GPS receivers. On February 14, 2012, the FCC received a letter from the NTIA, which stated that the NTIA has concluded that (a) the Company's proposed mobile broadband network will impact GPS services and (b) there currently is no practical way to mitigate the potential harmful interference from the Company's planned terrestrial operations such that the Company could successfully deploy an adequate commercial network. The technical report underlying the NTIA letter also raised concerns about the effect on GPS receivers from out-of-band emissions from the Company's L-Band terrestrial uplink operations.

On February 15, 2012, the FCC stated in a public notice (the "2012 Public Notice") that the technical working group process had not been successfully completed by the Company because alleged harmful interference concerns were not resolved to the FCC's satisfaction. Moreover, the FCC concluded that, although the overload issues were raised by the GPS community in connection with the Conditional Waiver Order, the concerns raised by NTIA were relevant for the full Company ATC service authorized in 2004 and 2010. the interference addressed by the NTIA was associated not with the mobile handsets at issue therein, but rather, with the Company's planned terrestrial base stations and, thereby, the full Company ATC service authorized in 2004 and 2010. Accordingly, the FCC proposed to vacate the Conditional Waiver Order and modify the Company's satellite license to suspend indefinitely the Company's underlying ATC authorization, first granted in 2004, to an extent consistent with the NTIA Letter. The FCC invited interested parties to comment on these proposals by March 1, 2012, but subsequently extended such deadline to March 16, 2012. The Company filed its comments to the 2012 Public Notice on March 16, 2012 and filed its reply to the comments of other interested parties on March 30, 2012.

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[12] As mentioned above, commercial GPS manufacturers have continued to design, produce and sell receivers that are capable of receiving signals from the Company's allocated portion of the spectrum. The Plan Sponsors understand that the Debtors believe that the GPS industry should bear its own costs of recalling and repairing its products and the Company should be compensated for the trespass, and use of, the Company's spectrum. The Plan Sponsors believe, however, that the actions of the FCC indicate that it does not agree with this position.

The Debtors have stated that they intend to vigorously defend their rights in the ongoing 2012 Public Notice process, while simultaneously pursuing a resolution with the FCC and other federal government agencies that will permit it to deploy its terrestrial network.

3. Cost-Cutting Measures

Throughout the first quarter of 2012, the Company faced liquidity challenges. Specifically, LightSquared LP was obligated to make a $25 million interest payment to the LP Lenders on March 30, 2012. Moreover, although the Company was able to extend the maturity date of the Prepetition Inc. Credit Agreement, in light of, among other things, the status of the FCC process and the GPS industry's allegations, LightSquared Inc. was unable to refinance its facility or raise capital to aid it in the deployment of the 4G LTE network (as required by the FCC).

In an attempt to ease its liquidity constraints and preserve cash, the Company began to undertake substantial cost-cutting initiatives during the first quarter of 2012, including executing a major reduction in staff and entering into negotiations with its contractual counterparties to defer or reduce payments. As part of this effort, the Company successfully renegotiated the Inmarsat Cooperation Agreement, pursuant to that certain Amendment No. 2, dated as of April 18, 2012, to: (a) suspend Phase 2 (as defined in the Inmarsat Cooperation Agreement) of the Inmarsat Cooperation Agreement until March 31, 2014, with the understanding that the Company may, at its option, elect to restart Phase 2 prior to such date; (b) eliminate, during such period of suspension, any Phase 2 payments to Inmarsat, including the quarterly payment of approximately $29.6 million due on March 31, 2012 (which, if not paid, would have triggered cross-defaults under both the Prepetition Inc. Credit Agreement and the Prepetition LP Facility Credit Agreement); and (c) recommence, as of April 1, 2014 or an earlier date as elected by the Company, Phase 2 payments based on a restructured payment plan that will differ from the previous Phase payments. In addition, a payment for certain transition services was renegotiated within the scope of the amended terms for Phase 2. Moreover, the Company terminated the One Dot Four Lease, thereby obviating the requirement to pay TerreStar 1.4 Holdings LLC $2 million on March 23, 2012 and each month thereafter.

4. Prepetition Discussions with Prepetition Lenders

Recognizing the (a) impact of the foregoing events and the liquidity constraints on its business operations and (b) necessity of an extended period in which to resolve its issues with the FCC as well as to streamline its business operations and financial obligations, the Company began negotiations with the Prepetition Lenders in February 2011 to waive, among others, the then potential events of default asserted by the Prepetition Lenders. On March 15, 2012, the Company was able to secure the Inc. Waiver and Amendment with the requisite number of the Prepetition Inc. Lenders and a short, forty-five (45)-day waiver, subsequently extended by two waivers each granting an additional seven (7) days, with the requisite number of the LP Lenders. In connection with the Inc. Waiver and Amendment, (x) the maturity date for the Prepetition Inc. Credit Facility was extended from July 1, 2012 to December 31, 2012, (y) a two percent (2%) non-cash fee was paid to the UBS AG, Stamford Branch, as administrative agent, for the ratable account of each Prepetition Inc. Lender and (z) Harbinger agreed to subordinate amounts owing to it under the Prepetition Inc. Credit Facility to amounts owing to the other Prepetition Inc.

Lenders under the Prepetition Inc. Credit Agreement in exchange for 2.5 million penny warrants. During the waiver period, the Company and the Prepetition Lenders attempted to negotiate a global restructuring that would provide the Company with the liquidity and runway necessary to resolve its issues with the FCC. The Company and the Prepetition Lenders were not able to consummate a global restructuring on terms acceptable to all interested parties.

VI.

THE CHAPTER 11 CASES

A. Commencement of the Chapter 11 Cases

On May 14, 2012 (the "Petition Date"), the Debtors commenced the Chapter 11 Cases. On that same day, the Debtors also filed several pleadings (the "First Day Pleadings"), which are discussed in detail below.

B. First Day Pleadings

1. Joint Administration

On May 14, 2012, the Debtors filed a motion seeking the joint administration of the Chapter 11 Cases (the "Joint Administration Motion") [Docket No. 2]. On May 15, 2012, the Bankruptcy Court issued an order granting the Joint Administration Motion [Docket No. 33].

2. Case Management

On May 14, 2012, the Debtors filed a motion seeking approval of an order implementing case management procedures [Docket No. 18]. On June 11, 2012, the Bankruptcy Court entered an order implementing case management procedures that: (a) established requirements for filing and serving notices, motions, applications, declarations, objections, responses, memoranda, briefs, supporting documents and other papers filed in the Debtors' Chapter 11 Cases; (b) delineated standards for service of notices of hearings and agenda letters; (c) fixed periodic omnibus hearing dates and articulated mandatory guidelines for scheduling hearings and objection deadlines; and (d) limited matters that are required to be heard by the Bankruptcy Court [Docket No. 121].

3. Extension of Deadline for Filing Schedules

On May 14, 2012, the Debtors filed a motion seeking approval of an extension of the deadline for filing their Financial Schedules [Docket No. 6]. On May 16, 2012, the Bankruptcy Court granted an extension of thirty (30) days (until and including June 27, 2012) for the Debtors to file their Financial Schedules [Docket No. 44]. The Debtors filed their Financial Schedules with the Bankruptcy Court on June 27, 2012 [Docket Nos. 154–173].

4. Retention of a Claims and Noticing Agent

The Debtors filed an application on May 14, 2012 to employ KCC as claims and noticing agent in order to expedite the distribution of notices and processing of claims and relieve the

Bankruptcy Court's Clerk's office of the administrative burden of a potentially overwhelming number of claims [Docket No. 4]. The Bankruptcy Court granted the Debtors' application to employ KCC as claims and noticing agent on May 15, 2012 [Docket No. 34].

5. Limitation of Service

On May 14, 2012, the Debtors filed a motion seeking approval of an order (a) authorizing the Debtors to prepare a consolidated list of creditors in the format or formats maintained in the ordinary course of business in lieu of submitting a mailing matrix, (b) authorizing the Debtors to file a consolidated list of their twenty (20) largest unsecured creditors, and (c) approving the form and manner of notice of the commencement of the Debtors' Chapter 11 Cases [Docket No. 5]. The Bankruptcy Court issued an order granting the motion on May 15, 2012 [Docket No. 35].

6. Business Operations

a. *Cash Management and Intercompany Transactions*

As is typical with most corporate enterprises, the Debtors had in place as of the Petition Date a cash management system for the collection of receipts and the disbursement of funds. The Debtors use a cash management system that consists of two (2) separate segregated cash management systems, one each for Inc. Group[13] and LP Group.[14]

In the ordinary course of business, the Inc. Group utilizes an integrated, centralized cash management system (the "Inc. Group Cash Management System") to collect and manage or disburse and invest funds. Also in the ordinary course of business, the LP Group utilizes an integrated, centralized cash management system (the "LP Group Cash Management System" and, together with the Inc. Group Cash Management System, the "Cash Management Systems") to collect and manage or disburse and invest funds used in its operations.

In the ordinary course of business, cash amounts paid by one Debtor entity on behalf of other Debtor entities (depending on the transaction) had been historically recorded as capital contributions or equity investments (the "Cash Transactions"). The Debtors and certain non-Debtor affiliates utilize a cost allocation system where expenses initially paid by a Debtor or a non-Debtor affiliate for the benefit of other Debtors or non-Debtor affiliates are allocated to the appropriate entities in proportion to the benefits received by such entities (together with the Cash Transactions, the "Intercompany Transactions"). Through their use of the Cash Management

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[13] The "Inc. Group" consists of (a) the following Debtor entities: LightSquared Inc., One Dot Six Corp., One Dot Four Corp., SkyTerra Rollup LLC, SkyTerra Rollup Sub LLC, LightSquared GP Inc. and One Dot Six TVCC Corp. and (b) the following non-Debtor entities: TVCC Holding Company, LLC, TVCC Intermediate Corp., Columbia One Six Partners IV, Inc., Columbia FMS Spectrum Partners IV, Inc., TVCC One Six Holdings LLC and CCMM I LLC.

[14] The "LP Group" consists of (a) the following Debtor entities: LightSquared LP, LightSquared Investors Holdings Inc., TMI Communications Delaware, Limited Partnership, 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. and SkyTerra Investors LLC and (b) the following non-Debtor entity: LightSquared (UK) Limited.

Systems, the Debtors facilitate cash forecasting and reporting, monitor collections and disbursements of funds, and maintain control over the administration of various bank accounts (the "Bank Accounts") that are required to effect the collection, disbursement, and movement of cash.

On May 14, 2012, the Debtors filed a motion seeking to: (a) continue to use their existing cash management system, bank accounts, and disbursement accounts, (b) open new debtor in possession bank accounts with authorized depository banks or close any existing bank accounts as the Debtors deem necessary and appropriate in their sole discretion, and (c) continue performing ordinary course Intercompany Transactions (the "Cash Management and Intercompany Transactions Motion") [Docket No. 7]. On May 15, 2012, the Bankruptcy Court entered an interim order granting the Cash Management and Intercompany Transactions Motion [Docket No. 36]. On June 11, 2012, the Bankruptcy Court entered a final order authorizing (a) the continued use of Cash Management Systems and the Bank Accounts, with the same account numbers, in existence on the Petition Date, (b) the treatment of the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession, and (c) if needed, subject to the giving of notice, the opening of new debtor in possession accounts with authorized depository banks or the closing of any existing accounts as the Debtors may deem necessary and appropriate in their sole discretion [Docket No. 115].

b. *Utility Services*

In connection with the operation of their businesses and management of their properties, the Debtors obtain from certain utility companies (the "Utility Providers") a wide range of utility services in the ordinary course of business for, among other things, water, sewer service, electricity, telephone, data services and other similar services. On May 14, 2012, the Debtors filed a motion seeking an order (a) deeming Utility Providers adequately assured of future performance and (b) establishing procedures for resolving requests for additional adequate assurance of future payment [Docket No. 17]. On June 11, 2012, the Bankruptcy Court issued an order determining adequate assurance of payment for future utility services [Docket No. 120]. Pursuant to the order, as adequate assurance, the Debtors deposited $21,850 into a newly-created, segregated, interest-bearing bank account.

c. *Payment of Prepetition Taxes and Assessments*

In the ordinary course of their businesses, the Debtors (a) collect, incur and/or comply with a variety of taxes or tax obligations, including certain business, corporation, franchise, partnership, personal property, provincial, capital, non-resident withholding, sales and use, goods and services, harmonized sales, excise and other taxes (collectively, the "Taxes"), (b) charge certain annual reporting fees, FCC fees and Canadian Regulatory Fees, and other similar charges and assessments (collectively, the "Fees") on behalf of various taxing, licensing and other regulatory authorities (collectively, the "Authorities"), and (c) pay Fees to such Authorities for licenses and permits required to conduct the Debtors' businesses in the ordinary course.

On May 14, 2012, the Debtors filed a motion seeking authorization to pay Taxes and Fees and directing financial institutions to honor all related checks and electronic payment requests [Docket No. 10]. On May 16, 2012, the Bankruptcy Court issued an interim order

authorizing, but not requiring, the Debtors to pay, in their sole discretion, all Taxes and Fees in the ordinary course of their businesses, including all Taxes and Fees subsequently determined to be owed for periods prior to the Petition Date, and authorizing and directing banks and financial institutions on which checks were drawn or electronic payment requests were made to receive, process, honor, and pay all such checks and electronic payment requests [Docket No. 39]. On June 11, 2012, the Bankruptcy Court entered a final order authorizing the same [Docket No. 117].

d. *Continuation of Prepetition Insurance Policies*

In connection with their business operations, the Debtors maintain multiple insurance policies in respect of, among other things, property damage, general liability, umbrella liability, automobile liability, fiduciary liability, employment practices liability, cargo, directors' and officers' liability, space insurance, and international liability (collectively, the "Insurance Programs"). In addition, the Debtors maintain in-orbit insurance on their SkyTerra-1 satellite (the "Satellite Insurance Program") that covers losses and liabilities associated with the satellite of up to $250,000,000. On May 14, 2012 the debtors filed a motion for authorization to honor the terms of their Insurance Programs, including the Satellite Insurance Program, and pay installment payments that come due after the Petition Date or to modify, extend, or supplement the policies as the Debtors see fit (the "Insurance Policies Motion") [Docket No. 9]. On May 16, 2012, the Bankruptcy Court issued an interim order granting the Insurance Policies Motion [Docket No. 41]. The Bankruptcy Court entered a final order on June 11, 2012 [Docket No. 118].

e. *Employee Wages and Benefits*

On May 14, 2012, the Debtors filed a motion for an order (A) authorizing them to (i) pay certain prepetition wages and reimbursable employee expenses, (ii) pay and honor employee benefits and (iii) continue employee benefits programs and (B) authorizing and directing financial institutions to honor all related checks and electronic payment requests [Docket No. 8]. The Bankruptcy Court issued an interim order on May 15, 2012 [Docket No. 38] and a final order granting the relief requested on June 11, 2012 [Docket No. 133].

f. *Notification Procedures and Restrictions on Certain Transfers of Interests and Claims in the Debtors*

On May 14, 2012, the Debtors filed a motion to authorize the establishment of procedures to protect the potential value of the Debtors' more than $1.5 billion in consolidated net operating tax loss carryforwards ("NOLs") (a portion of which is subject to limitation) and certain other tax attributes, including, potentially, a net unrealized built-in loss in its Assets (together with NOLs, the "Tax Attributes") (the "Restriction on Transfers Motion") [Docket No. 11]. The proposed procedures included treating as void ab initio any acquisition, disposition, claim of a worthless securities deduction under 165(g) of the Code (as defined below) or other transfer of LightSquared Inc. stock in violation of the restrictions set forth in the proposed order. On May 16, 2012, the Bankruptcy Court entered an interim order granting the Restriction on Transfers Motion [Docket No. 40]. On May 22, 2012 the Ad Hoc LP Secured Group objected to the motion, explaining, among other things, that the ability of the Debtors to use the Tax Attributes

would only be relevant in remote situations [Docket No. 64]. On June 4, 2012, after the Debtors and the Ad Hoc LP Secured Group agreed upon a form of order that resolved the objection, the Bankruptcy Court issued a final order granting the Restrictions on Transfers Motion [Docket No. 84].

g. *Foreign Representation*

On May 14, 2012, the Debtors filed a motion for entry of an order authorizing LightSquared LP to act as the foreign representative on behalf of the Debtors' Estates in any judicial or other proceeding in a foreign country [Docket No. 12]. The Debtors have certain Assets and limited operations in Canada, and after the Petition Date, they commenced a restructuring proceeding in the Ontario Superior Court of Justice (Commercial List) pursuant to Part IV of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "Canadian Proceedings"). On May 16, 2012, the Bankruptcy Court entered an interim order [Docket No. 42], with a final order following on June 11, 2012, authorizing LightSquared LP to act as a foreign representative on behalf of the Debtors [Docket No. 119].

h. *Interim Compensation and Reimbursement of Professional Persons and Committee Members*

In an effort to permit the Debtors to closely monitor the costs and streamline the administration of the Chapter 11 Cases, and to allow the Bankruptcy Court and parties in interest, including the U.S. Trustee, to ensure the reasonableness and necessity of the compensation and reimbursement requested, the Debtors developed procedures for interim compensation and reimbursement of expenses of professionals whose services are authorized by the Bankruptcy Court pursuant to either section 327 or section 1103 of the Bankruptcy Code and for reimbursement of reasonable out-of-pocket expenses incurred by members of any statutory committee of unsecured creditors appointed in the Chapter 11 Cases. On May 14, 2012, the Debtors moved for the entry of an order establishing an orderly, regular process for the monthly allowance and payment of compensation and reimbursement of expenses [Docket No. 19], and the Bankruptcy Court approved such requested relief on June 11, 2012 [Docket No. 122].

i. *Cash Collateral Motion*

On May 14, 2012, the Debtors filed a motion (the "Cash Collateral Motion") seeking authority to use cash collateral ("Cash Collateral") and grant adequate protection to certain prepetition secured parties [Docket No. 13]. The Debtors sought to use Cash Collateral because they could not generate sufficient unencumbered cash from operations to cover their operating expenses and the Cash Collateral was needed to meet capital expenditures and other non-operating cash expenses.

Several parties, including the Ad Hoc LP Secured Group, objected to the Cash Collateral Motion. At a hearing on the Cash Collateral Motion, the Debtors presented to the Bankruptcy Court an agreed order (the "Initial Cash Collateral Order") that, among other things, enabled the Debtors on a final basis (and for up to one year) to use the Cash Collateral of the Prepetition Inc. Lenders and LP Lenders in order to continue operations. In exchange, the Prepetition Inc. Lenders and the LP Lenders were to receive adequate protection liens and monthly payments to

guard against any diminution in the value of their respective collateral. The Bankruptcy Court entered the Initial Cash Collateral Order on June 13, 2012 [Docket No. 136]. On February 19, 2013, in connection with the Exclusivity Stipulation (as defined and discussed below), the Bankruptcy Court entered an agreed order amending the Initial Cash Collateral Order (the "Amended Cash Collateral Order") [Docket No. 544]. Pursuant to the Amended Cash Collateral Order, the Debtors were authorized to further use Cash Collateral through December 31, 2013 in order to further the terms of the Exclusivity Stipulation (as defined below).

C. Ahuja Settlement Agreement

On July 6, 2012, the Debtors filed a motion seeking (a) authority to enter into, and approval of, a settlement agreement (the "Ahuja Settlement Agreement") between LightSquared Inc., on behalf of itself and the other Debtors' Estates, Harbinger, and Sanjiv Ahuja (the former chairman of the board of directors and chief executive officer of LightSquared Inc. and an officer and director of various other LightSquared entities), (b) authority to reject Mr. Ahuja's employment agreement and certain related documents, and (c) authority to take any and all actions reasonably necessary to consummate and perform any and all obligations under the Ahuja Settlement Agreement (the "Ahuja Settlement Motion") [Docket No. 213]. The Ahuja Settlement Agreement provides that, in satisfaction of Mr. Ahuja's claims for compensation and/or benefits, Mr. Ahuja will receive (x) an allowed unsecured non-priority claim against LightSquared LP in the amount of $750,000 and (y) an allowed common interest in the amount of 8,832,354 shares of current common stock of LightSquared Inc., which shall be subject to dilution only on account of subsequent issuances of current common stock of LightSquared Inc. to the same extent and in the same manner and proportion as all other current common stockholders of LightSquared Inc. are diluted in connection with such issuance; provided, all payments made on account of such allowed claim and interest are to be made only in accordance with a confirmed chapter 11 plan. The Ahuja Settlement Agreement also provides that the Debtors will indemnify Mr. Ahuja for all of his actions and omissions during the time he was a director, officer or employee. Pursuant to the Ahuja Settlement Agreement, on the effective date thereof, (i) Mr. Ahuja's employment agreement and certain related documents shall be deemed rejected, (ii) Mr. Ahuja's employment with the Debtors shall cease, (iii) Mr. Ahuja shall have resigned from the board of directors of each applicable LightSquared entity, and (iv) Mr. Ahuja shall not hold any office or title with any LightSquared entity or board of directors. No objections to the Ahuja Settlement Motion were filed, and on July 17, 2012, the Bankruptcy Court entered an order approving the Ahuja Settlement Agreement [Docket No. 223].

D. Key Employee Incentive Program

On August 29, 2012, the Debtors filed a motion (the "KEIP Motion") seeking the approval of a key employee incentive plan (the "Original KEIP") for four (4) senior level executives (the "Key Employees") [Docket No. 292]. The following is a list of the Key Employees, their positions and their annual salaries as of the date of the KEIP Motion:

Senior Level Executive	Title	Salary

Douglas Smith	Interim Chief Executive Officer, President, and Chairman of the Board	$700,000
Marc Montagner	Chief Financial Officer	$500,000
Curtis Lu	General Counsel	$500,000
Jeffrey Carlisle	Executive Vice President, Regulatory Affairs & Public Policy	$400,000

The Original KEIP provided that each of the Key Employees would be entitled to receive an incentive bonus consisting of cash and a preset amount of restricted stock units ("RSUs"), paid in shares of current common stock of LightSquared Inc. upon the satisfaction of one or more of the following objectives: (a) cash preservation, (b) progress made in the regulatory process, and (c) the occurrence of the effective date of a chapter 11 plan or the consummation of a sale of substantially all of the Debtors' Assets (the "Emergence Objective" and collectively, the "Incentive Objectives"). Over a period of time that would last at least two (2) years, each Key Employee would be eligible to receive aggregate incentive payments of cash up to 285% of each such Key Employee's annual salary and vesting of all issued RSUs if all Incentive Objectives were satisfied, and in the event a Key Employee is terminated without cause, such Key Employee would have been entitled to the vesting of RSUs upon the occurrence of each subsequent Incentive Objective as if such Key Employee had not been terminated. However, should a plan or confirmation of a sale result in a payout to the Debtors' Prepetition Lenders on their claims that is less than par plus accrued in cash, and such treatment is not accepted under a plan by either the Prepetition Inc. Lenders or the LP Lenders, any cash award paid to the Key Employees on account of the Emergence Objective shall be multiplied by a factor of .80. The Ad Hoc LP Secured Group and the U.S. Trustee filed objections to the KEIP Motion (together, the "KEIP Objections") on September 6, 2012 and September 7, 2012, respectively [Docket Nos. 302, 309]. The KEIP Objections asserted that the Original KEIP (a) provided for impermissible retention payments under section 503(c)(1) of the Bankruptcy Code and (b) violated section 503(c)(3) of the Bankruptcy Code by providing for transfers outside of the ordinary course of business that were not justified by the facts and circumstances of the case.

In response to the KEIP Objections, on October 19, 2012, the Debtors filed a supplemental motion seeking the approval of a revised key employee incentive plan (as revised, the "KEIP") [Docket No. 385]. The revised KEIP: (a) removed the issuance of RSUs as consideration, (b) tightened the Debtors' budget compliance requirements, and (c) tightened payment dates under the Emergence Objective. On October 23, 2012, the Bankruptcy Court entered an order approving the KEIP [Docket No. 394].

E. Rejection of Lease Documents Nunc Pro Tunc to the Petition Date

On August 29, 2012, the Debtors filed a motion seeking a 90-day extension to assume or reject unexpired leases of nonresidential real property from September 11, 2012 to and including December 10, 2012 [Docket No. 291]. There were no objections to this motion. On October 1,

2012, the Bankruptcy Court entered an order extending the Debtors' time to assume or reject unexpired leases to and including December 10, 2012 [Docket No. 344].

Also on August 29, 2012, the Debtors filed a motion seeking to reject a nonresidential real property lease with 450 Park Avenue, LLC which was in respect of the Debtors' use of office space at 450 Park Avenue, New York, New York [Docket No. 290]. The lease was to terminate in November 2015 and rent for the premises was $35,917.13 per month or $431,005.50 per year. On September 13, 2012, the Bankruptcy Court entered an order granting the Debtors' motion to reject the real property lease with 450 Park Avenue, LLC (the "450 Park Avenue Order") [Docket No. 318].

On November 14, 2012, the Debtors filed a motion seeking a further extension of time to assume or reject certain unexpired leases of nonresidential real property and rejection of all other of the Debtors' unexpired leases of nonresidential property not assumed or for which the time to assume had not been extended [Docket No. 413]. In the motion, the Debtors asserted that in undertaking a strategic review of unexpired leases, it was in their sound business judgment that a further extension of the deadline for certain unexpired leases (the "Extension Leases") was in the best interest of the Debtors and the Estate. The Extension Leases are leases of nonresidential real property currently used by the Debtors for (a) inventory fulfillment and warehousing, (b) satellite carrier monitoring stations, and (c) satellite network gateways. The Debtors split the Extension Leases into two groups and requested that each counterparty consent in writing to extensions of the deadline to assume or reject to and including June 10, 2013 for the first group of Extension Leases and the date upon which a plan of reorganization is confirmed for the second group of Extension Leases. Each counterparty to an Extension Lease consented to the requested extension, and, on November 28, 2012, the Bankruptcy Court issued a final order extending the period the Debtors may assume or reject the Extension Leases to and including (a) March 10, 2013, for the Extension Leases listed on schedule 1 of the order, (b) June 10, 2013, for the Extension Leases listed on schedule 2 of the order, and (c) the date of confirmation of a plan of reorganization, for the Extension Leases listed on schedule 3 of the order [Docket No. 438].

On April 30, 2013, the Debtors filed another motion seeking a further extension of their time to assume or reject unexpired leases of nonresidential real property (the "Third Lease Extension Motion") [Docket No. 626]. In the Third Lease Extension Motion, the Debtors sought a further extension of such time to the earlier of (a) December 31, 2013 and (b) the date upon which a plan of reorganization under chapter 11 of the Bankruptcy Code is confirmed in the Chapter 11 Cases. The Third Lease Extension Motion was granted by the Bankruptcy Court on May 15, 2013 [Docket No. 631].

F. Representation of the Debtors

On May 14, 2012, the Debtors applied for orders seeking the employment and retention of several professionals. Specifically, the Debtors filed an application seeking entry of an order authorizing and approving the employment and retention of Milbank, Tweed, Hadley & McCloy ("Milbank") as attorneys for the Debtors nunc pro tunc to the Petition Date [Docket No. 21], and such application was approved by the Bankruptcy Court on June 11, 2012 [Docket No. 124]. Milbank serves as lead bankruptcy counsel for the Debtors. Moreover, the Debtors sought the employment and retention of Fraser Milner Casgrain LLP (now known as Dentons Canada LLP,

"Dentons") as Canadian counsel for the Debtors nunc pro tunc to the Petition Date [Docket No. 22], and such application was approved on June 11, 2012 [Docket No. 125]. Dentons represents the Debtors in connection with their restructuring efforts in the Canadian Proceedings. Lastly, the Debtors applied for entry of an order authorizing and approving the employment and retention of Alvarez & Marsal North America, LLC as financial advisor to the Debtors nunc pro tunc to the Petition Date [Docket No. 25], and such application was also approved on June 11, 2013 [Docket No. 126].

On May 22, 2012, the Debtors filed an application for entry of an order authorizing and approving the employment of Moelis & Company LLC as financial advisor and investment banker to the Debtors nunc pro tunc to the Petition Date [Docket No. 66], and such application was approved on June 11, 2013 [Docket No. 127].

On May 29, 2012, the Debtors filed several applications seeking the retention and employment of other professionals. Specifically, the Debtors filed an application for entry of an order authorizing and approving the employment and retention of Ernst & Young LLP as tax and agreed-upon procedures service provider to the Debtors nunc pro tunc to the Petition Date [Docket No. 74], and such application was granted on June 18, 2012 [Docket No. 143]. The Debtors also applied for an order authorizing and approving the employment and retention of Kirkland & Ellis LLP ("K&E") as special litigation counsel for the Debtors nunc pro tunc to the Petition Date [Docket No. 75], and such application was approved on June 11, 2013 [Docket No. 128]. K&E advises the Debtors regarding certain commercial litigations that were yet to be commenced prior to the Petition Date and might be brought on a subsequent date. Moreover, the Debtors applied for an order authorizing and approving the retention and employment of Gibson, Dunn & Crutcher LLP ("Gibson Dunn") as special litigation counsel for the Debtors nunc pro tunc to the Petition Date [Docket No. 76], and this application was approved on August 30, 2012 [Docket. No. 295]. In its role as special litigation counsel, Gibson Dunn serves as the Debtors' litigation counsel in connection with ongoing proceedings before the FCC.

On July 2, 2012, the Debtors filed an application for entry of an order authorizing and approving the employment and retention of Latham & Watkins LLP ("Latham") as special FCC counsel to the Debtors nunc pro tunc to the Petition Date [Docket No. 200], and such application was granted on July 17, 2012 [Docket No. 222]. Latham represents the Debtors in respect of substantive matters that fall within the jurisdiction of the FCC, such as representing certain of the Debtors in rulemaking proceedings and defending certain of the Debtors in connection with proposed actions to be taken by the FCC.

Also on July 2, 2013, the Debtors filed an application for entry of an order authorizing the employment and retention of Pillsbury Winthrop Shaw Pittman LLP ("Pillsbury") as special litigation counsel to the Debtors [Docket No. 713], and such application was granted on July 17, 2013 [Docket No. 752]. Pillsbury provides the Debtors with legal advice in a variety of matters, including negotiations with satellite operators in connection with international frequency coordination and regulatory compliance for existing and proposed operations.

G. Bar Date Order

On July 27, 2012, the Debtors filed a motion seeking, among other things, entry of an order establishing deadlines for claimants to file proofs of claim in respect of prepetition claims [Docket No. 244]. The Bankruptcy Court subsequently entered an order setting September 25, 2012 as the general bar date, where each person or entity, other than a governmental unit (as defined in section 101(27) of the Bankruptcy Code), needed to file a proof of claim [Docket No. 266]. The deadline for a governmental unit to file a proof of claim was November 12, 2012.

H. Settlement Agreement with Sprint

On February, 13, 2013, the Debtors filed a motion seeking approval of a settlement agreement between the Debtors and Sprint stemming from the Sprint Master Services Agreement, which is further discussed in the section of this Disclosure Statement entitled "General Information – Material Operating Contracts, Sprint Master Services Agreement" [Docket No. 525]. The Debtors initially paid Sprint $310 million as an advance payment (the "Advance Payment") for work on the network and future operational costs, and the outstanding obligations under the Sprint Master Services Agreement were secured by a second-priority security interest in the Prepetition LP Collateral.

After entering into the agreement, the Debtors incurred delays in the build-out of the network. Sprint agreed to amend the Sprint Master Services Agreement to extend the date by which it was entitled to unwind the agreement. The sixth and final of these amendments ("Amendment No. 6") was entered into by the parties on January 27, 2012. Under this amendment, the Debtors agreed that $236,472,168 (the "Agreed MSA Costs") had been fully earned and irrevocably and unconditionally paid to Sprint from the Advance Payment and was not subject to dispute. Sprint further agreed to refund LightSquared LP an amount equal to $65 million from the Advance Payment upon the earlier of (i) March 15, 2012 and (ii) receipt of an acknowledgement from the LP Lenders that Amendment No. 6 was not prohibited under the Prepetition LP Facility Credit Agreement. Moreover, $8,527,832 of the Advance Payment (the "Unallocated Balance") would remain subject to the termination and unwinding process set forth in the Sprint Master Services Agreement. Lastly, although the parties were not able to fully reconcile and agree upon the precise amount of certain costs arising from Sprint's transactions with American Tower Company to secure capacity and entitlements required for the Debtor's network (the "Asserted ATC Costs"), the parties agreed that $95 million (the "Agreed ATC Costs") of the Asserted ATC Costs were to be included in the Agreed MSA Costs and Sprint reserved its rights to claim the positive difference between the Asserted ATC Costs and the Agreed ATC Costs, which was $110 million (the "Disputed Amount").

On March 15, 2012, Sprint refunded $65 million to the Debtors from the Advance Payment, and the following day, decided to unwind the Sprint Master Services Agreement. Sprint and the Debtors then worked to reconcile the appropriate allocation of the Unallocated Balance, resulting in an agreement among the parties that (a) $2,457,434 had been irrevocably and unconditionally paid to Sprint as Agreed MSA Costs, (b) an additional payment would be made to LightSquared LP from Sprint on May 4, 2012 in the amount of $2,332,794, and (c) $3,737,604 (the "Remaining Advance Payment") should be retained by Sprint pending further reconciliation.

Sprint and its affiliate, Sprint Nextel, proceeded to file three (3) claims against the Debtors (collectively, the "Sprint Bankruptcy Claims"). On August 3, 2012, Sprint Nextel filed proof of claim no. 31, asserting a priority claim in the amount of $11,757.95 against LightSquared Inc. for wireless telecommunications services rendered to LightSquared Inc. On September 24, 2012, Sprint filed proof of claim no. 157 against LightSquared Inc. and proof of claim no. 158 against LightSquared LP, asserting contingent and unliquidated secured claims arising under the termination and unwinding of the Sprint Master Services Agreement, which included the Disputed Amount.

The Debtors entered into a settlement agreement with Sprint (the "Sprint Settlement Agreement") to resolve, discharge, and settle costly litigation relating to the Sprint Bankruptcy Claims and the Debtors' potential claims against Sprint with no further out-of-pocket expenses incurred by the Debtors. As part of the Sprint Settlement Agreement, LightSquared LP received a payment of $1,011,371 from Sprint as appropriate allocation of the Remaining Advance Payment and Sprint retained an amount equal to $2,726,233. Sprint and Sprint Nextel further agreed to withdraw the Sprint Bankruptcy Claims and released Sprint's liens against the Debtors' Assets. Moreover, the parties each agreed to release, discharge, waive, and acquit any claims, demands, liabilities, responsibilities, disputes, remedies, causes of actions, indebtedness, and obligations relating to the Sprint Master Services Agreement and/or the proofs of claim filed by Sprint. On February 27, 2013, the Bankruptcy Court entered an order approving the Sprint Settlement Agreement [Docket No. 565].

I. Standing Motion

On September 15, 2012, the Ad Hoc LP Secured Group filed a motion with the Bankruptcy Court seeking, among other things, standing and authority to commence, prosecute and/or settle certain claims on behalf of the Debtors' Estates (the "Standing Motion") [Docket No. 323]. The impetus for filing the Standing Motion stemmed from Harbinger causing LightSquared Inc. to enter into a purported prepetition loan with certain lenders, including Harbinger and an affiliate. The Ad Hoc LP Secured Group alleged that the investment was not a loan at all but an equity infusion that was mischaracterized by Harbinger in an effort to elevate the priority of the investment. Moreover, the Ad Hoc LP Secured Group argued that Harbinger caused the Prepetition Inc. Subsidiary Guarantors to guarantee the purported loan, which provided no benefit to such affiliates, but assured that any value in those subsidiaries would be channeled to Harbinger and its allied lenders, and not to the Debtors' outside creditors. Additionally, it was alleged that Harbinger subsequently caused the Debtors to preferentially transfer security interests to a group of non-Debtor entities (collectively, the "Defendants"),[15] for no consideration, in order to solidify its purported priority claims to the Debtors' previously unencumbered Assets. Consequently, the Ad Hoc LP Secured Group believed that the Debtors' Estates had strong and valuable claims against the Defendants for preference, fraudulent transfer, recharacterization of the loans as equity and for equitable subordination. Since the Ad Hoc LP Secured Group alleged that the Debtors are conflicted and will not sue its controlling insider

[15] The Defendants are comprised of the following entities: Harbinger Capital Partners SP, Inc., Blue Line DZM Corp., Mast AK Fund LP, Mast Credit Opportunities I Master Fund Limited, Mast OC I Master Fund, Mast PC Fund LP, Mast Select Opportunities Master Fund, Seawall Credit Value Master Fund, Ltd., Seawall OC Fund, Ltd., U.S. Bank, and Does 1–100.

(Harbinger), based on the foregoing actions, the Ad Hoc LP Secured Group requested authority to prosecute these claims on behalf of the Debtors' Estates.

On October 17, 2012, U.S. Bank interposed an objection to the Standing Motion, arguing that the Ad Hoc LP Secured Group did not meet the requisite standard for obtaining standing to prosecute claims because, among other things, the members of the Ad Hoc LP Secured Group are not creditors of the Prepetition Inc. Subsidiary Guarantors and it would be too costly to the Debtors' Estates to have the Ad Hoc LP Secured Group prosecute the claims in relation to any benefit received. On the same day, Harbinger also filed an objection to the Standing Motion and argued that the Standing Motion was merely an attempt by the Ad Hoc LP Secured Group to gain leverage in the Chapter 11 Cases and would result in the waste of Estate resources to the benefit of only the Ad Hoc LP Secured Group. Supplemental pleadings were filed by the parties and a hearing on the Standing Motion was held on January 9, 2013. At the hearing, the Bankruptcy Court deferred rendering a ruling on the Standing Motion and requested additional briefing, which was filed on February 13, 2013. As of the date hereof, the Bankruptcy Court has yet to issue a ruling on the Standing Motion.

J. Debtor-in-Possession Financing

On June 20, 2012, the Debtors filed a motion (the "DIP Motion") seeking authority to allow One Dot Six Corp. (the "DIP Borrower") to obtain, and LightSquared Inc., One Dot Four Corp., and One Dot Six TVCC Corp. (collectively, the "DIP Guarantors" and, together with the DIP Borrower, the "Inc. Obligors") to unconditionally guaranty jointly and severally the DIP Borrower's obligations in respect of, secured, priming superpriority postpetition financing (the "DIP Facility") in the amount of $40 million [Docket No. 147]. The DIP Facility was created pursuant to the terms and conditions of that certain Credit Agreement (the "DIP Agreement") by and among the Inc. Obligors, U.S. Bank National Association, as arranger, administrative agent and collateral agent (the "DIP Agent"), for and on behalf of itself and the lenders party thereto, including Mast Credit Opportunities I Master Fund Limited, Mast OC I Master Fund, L.P. (by Mast Capital Management, LLC, its general partner), Mast Select Opportunities Master Fund, L.P., (by Mast Select Opportunities GP, LLC, its general partner), Mast AK Fund, L.P. (by Mast AK Fund GP, LLC, its general partner), and Mast PC Fund L.P. (by Mast PC GP, LLC, its general partner).

Pursuant to the DIP Facility, superpriority secured, priming liens would be granted in favor of the DIP Agent with respect to any and all owned and subsequently acquired personal property, real property, and other Assets of only the Inc. Obligors. On July 17, 2012, the Bankruptcy Court entered an order approving the DIP Motion (the "DIP Order"), which provided the DIP Borrower access to a slightly increased amount ($41.4 million) of postpetition borrowings [Docket No. 224]. In connection with the Exclusivity Stipulation, the Bankruptcy Court subsequently approved an amendment to the DIP Order that, among other things, provided the Inc. Obligors with access to an additional $5 million of postpetition financing [Docket No. 579].

K. Helwani Litigation

Samar Helwani (the "Claimant") alleges that prior to the Petition Date, in January 2011, the Claimant sustained injuries as a result of an accident involving a motor vehicle operated by an employee of the Debtors (the "Alleged Injury"). The Claimant sought to commence an action in state court in California with respect to the Alleged Injury (an "Action"), but the automatic stay created by section 362 of the Bankruptcy Code barred the Claimant from commencing the Action.

On October 9, 2012, the Debtors and the Claimant entered into a stipulation (the "Stay Stipulation") to modify the automatic stay solely to permit the Claimant to commence and prosecute an Action against the Debtors solely to determine the Debtors' liability and/or the Claimant's damages, if any, with respect to the Alleged Injury, and collect from available insurance proceeds payable as a result of such liability or settlement of such prospective liability. The Stay Stipulation provides that the Claimant's right to collect on or enforce a judgment, settlement, claim, or award, if any, arising from resolution of an Action is limited in that Claimant may not collect or enforce a judgment, settlement, claim, or award, if any, arising from resolution of an Action against assets (other than insurance policies) of the Debtors. The Stipulation further provides that the Claimant may not file a proof of claim in any of the Chapter 11 Cases for any judgment, settlement, claim, or award, if any, arising from resolution of an Action. On November 5, 2012, the Bankruptcy Court entered the *Stipulation and Agreed Order Granting Samar Helwani Limited Relief from the Automatic Stay* [Docket No. 407], thereby approving the Stipulation.

L. Exit Financing

On May 31, 2013, the Debtors filed a motion (the "Exit Financing Motion") seeking, among other things, authority to enter into and perform under an engagement letter (the "Engagement Letter") related to certain exit financing arrangements [Docket No. 645]. The Engagement Letter was executed by the Debtors and Jefferies LLC ("Jefferies") and provides that Jefferies will act as sole and exclusive manager and placement agent or arranger, as the case may be, in connection with the arrangement of a senior secured term loan in an amount that the Debtors hope will exceed the face amount of Prepetition LP Obligations, the Prepetition Inc. Obligations, and the DIP Obligations (as all are defined in the Exit Financing Motion). Initially, the Engagement Letter contemplated that the LP Debtors' Estates would absorb 85 percent of the fees and costs associated with obtaining the exit financing. After the Ad Hoc LP Secured Group raised concerns about this provision of the Engagement Letter, the terms of the Engagement Letter were amended to provide that Harbinger would fund all of the up-front fees associated with the financing (which are anticipated to be up to approximately $80 million) and that LightSquared Inc., and not LightSquared LP, would be a party to the Engagement Letter. On June 7, 2013, the Bankruptcy Court entered an order authorizing the Debtors to enter into an amended Engagement Letter [Docket No. 667]. The Plan Sponsors understand that Jefferies initially attempted to raise financing for an approximately $3 billion new senior secured loan. The Plan Sponsors further understand that after failing to secure committed financing for the full amount, Jefferies ultimately adjusted certain terms of the proposed raise, including reducing the amount to approximately $1.3 billion with an addition $400 million potentially available later on.

The Plan Sponsors believe that the Debtors did not proceed with such financing due to, among other things, the proposed fees associated with the financing.

M. Postpetition FCC Developments

Subsequent to the Petition Date, the Company initiated five additional proceedings before the FCC in an effort to avoid and/or resolve all outstanding GPS incompatibility and interference concerns. The proceedings were designed to put into effect a frequency configuration for the Company's use that would involve pairing 20 MHz of its existing uplink L-Band spectrum with a newly created 10 MHz downlink channel located outside of the L-Band that would be comprised of both (a) 5 MHz of existing leased spectrum in the 1670—1675 MHz band held by Debtor One Dot Six Corp. and (b) 5 MHz of spectrum currently held by existing federal government users, including the National Oceanic and Atmospheric Administration ("NOAA"), that the Company has requested to share with the incumbent users. This uplink spectrum also could be paired with the lower 10MHz of downlink once outstanding GPS incompatibility concerns are resolved with the band pursuant to an FCC rulemaking that the Company requested. The Company's postpetition applications also included an offer to permanently relinquish the Company's authority to use the upper 10 MHz of L-Band downlink spectrum for terrestrial use if access to the 1675—1680 MHZ band for terrestrial use is granted. The FCC has placed these requests on public notice and received comments from interested parties, including arguments from the GPS community that, argue that in, in addition to the asserted problems with the terrestrial use of the Company's downlink frequencies, terrestrial use of the Company's L-Band uplink frequencies, too, was problematic and could cause harmful out-of-band-emissions into GPS receivers. Except for providing the Company with an experimental license and granting a stay on the Company's buildout obligations, the FCC has not taken final action in any of these proceedings.

More specifically, in the first proceeding, which was initiated by a Request for Action filed on September 24, 2012, the Company requested confirmation that the initial buildout milestone requirements that the FCC had imposed on it in 2010 no longer applied to it, in light of the events that had transpired since then which had prevented the Company from moving forward with its terrestrial network. Under those buildout requirements, the Company would have been obligated to have a terrestrial wireless system capable of serving at least 100 million customers in place by December 31, 2013. On December 20, 2012, the FCC issued an order tolling all of the buildout requirements that had previously been imposed in 2010, pending further action in other proceedings.

In the second proceeding, the Company formally requested that its license be modified to surrender the upper 10 MHz of its L-Band downlink, submit the issue of its use of the lower 10 MHz of its downlink to a rulemaking to address remaining GPS incompatibility concerns, and allow the Company to operate in the 1675—1680 MHz band. The Company outlined plans to use the 1675-1680 MHz band with the adjacent 1670-1675 band, the rights to which the Company had already leased from Crown Castle. The license modification request was filed on September 28, 2012 and was placed on public notice by the FCC on November 17, 2012. The application was predicated on the assumption that NOAA, the current user of this spectrum, would be able to relocate a substantial portion of its use to another frequency band or share the 1675—1680 MHz band with the Company. In its comments, the GPS community argued that terrestrial use of the

Company's L-Band uplink frequencies would cause harmful out-of-band-emissions into GPS receivers. The Company has since submitted a technical analysis to the FCC in support of its respective position, and the GPS community has asked the FCC to undertake a rulemaking to address the issue. The license modification request remains pending.

The license modification request was followed by a separate filing, made on November 2, 2012, which requested that the FCC initiate a rulemaking proceeding to amend the U.S. Table of Spectrum Allocations to add a primary allocation permitting non-Federal terrestrial mobile use of the 1675—1680 MHz band. Such an allocation is necessary to ensure that the Company's use of the 1675—1680 MHz band is protected from other spectrum uses that might prove harmful. This rulemaking proceeding request is still pending.

The fourth proceeding concerned the Company's request that the FCC initiate a rulemaking proceeding to develop operating parameters for terrestrial use of the lower 10 MHz of the L-Band uplink spectrum at 1526–1536 MHz. This request, which was filed on the same date as the license modification request, was placed on public notice by the FCC on November 17, 2012. This rulemaking proceeding request is still pending.

The fifth and final proceeding concerned the Company's request for an experimental license, filed with the FCC on March 5, 2013, for the purpose of ascertaining (a) the technical compatibility of fixed commercial wireless base stations in the 1675—1680 MHz band with existing spectrum operations in and around that frequency range, and (b) the technical compatibility of radiosonde operations in the 400.15—406 MHz band with existing spectrum operations in and around that frequency range. These technical compatibility studies are directly related to the prior license modification application that the Company had filed on September 28, 2012, and are to be conducted in close coordination with NOAA and the NTIA, both agencies within the U.S. Department of Commerce. The FCC granted the Company's request on April 29, 2013 and renewed the Company's experimental authority on July 20, 2013.

The Company's plans to secure timely use of the 1675—1680 MHz band remain dependent on the FCC's ability to provide the Company with access to such spectrum without material constraints. However, the FCC's ability to allocate that spectrum may have been called into question when the White House, on April 10, 2013, proposed in its annual budget request to Congress for Fiscal Year 2014 that the FCC be directed to "either auction or use fee authority to assign spectrum frequencies between 1675—1680 MHz for wireless broadband use by 2017." That direction was predicated on the expectation that the auction or use fee authority would raise $300 million in receipts while incurring $70 million in relocation costs, leaving net savings of $230 million over a ten (10) year period.

Another proceeding pending at the FCC is also relevant to the Company's plans as it affects the Company's ability to use the 1670—1675 MHz spectrum segment. That proceeding concerns the substantial service requirement imposed on Crown Castle, which is the company from which Debtor One Dot Six Corp. is currently leasing the 1670—1675 MHz block of spectrum. The substantial services requirement imposed on that spectrum by the FCC requires that the spectrum be placed in "substantial service" by October 1, 2013. If the FCC finds that spectrum was not placed in "substantial service" by that date, Crown Castle's authorization to use the spectrum (and so too the Company's rights under its lease from Crown Castle) will

terminate. Crown Castle filed a request with the FCC on October 9, 2012, which was placed on public notice on November 5, 2012, to extend this substantial service requirement for up to three (3) years. This request was predicated upon a claim that, until the FCC acted on the issues of whether and how the Company could move forward with deploying its terrestrial network, neither the Company nor Crown Castle could effectively deploy broadband or other advanced services in the spectrum. The FCC has not acted on the Crown Castle extension request.

In the interim, Crown Castle filed with the FCC on August 23, 2013 an ex parte submission disclosing its intent to satisfy the substantial service requirement by constructing a mobile video network that would utilize its block of spectrum. On September 30, 2013, Crown Castle submitted to the FCC a notification that it had satisfied the construction and substantial service requirement and an application to extend the term of its license so that it would expire on October 1, 2023. On September 30, 2013, One Dot Six also submitted to the FCC a request for an extension of the long term *de facto* transfer spectrum lease from Crown Castle to One Dot Six with respect to the 1670—1675 MHz block of spectrum licensed to Crown Castle.

N. Exclusivity

The Debtors' initial Exclusive Filing Period and Exclusive Solicitation Period were set to expire on September 11, 2012 and November 10, 2012, respectively. On August 29, 2012, the Debtors filed a motion seeking to extend the Exclusive Filing Period and Exclusive Solicitation Period for an additional one hundred fifty (150) days to February 8, 2013 and April 9, 2013, respectively (the "First Exclusivity Motion") [Docket No. 294]. The First Exclusivity Motion was objected to by the Ad Hoc LP Secured Group and a contested hearing was scheduled to take place before the Bankruptcy Court. However, at a hearing on October 1, 2012 addressing the First Exclusivity Motion, the Debtors and the Ad Hoc LP Secured Group resolved all objections, and the Ad Hoc LP Secured Group consented to a 141-day extension of the Exclusive Filing Period and the Exclusive Solicitation Period through January 31, 2013 and April 1, 2013, respectively. Later on October 1, 2012, the Bankruptcy Court entered an order granting the 141-day extension of the Exclusive Periods (the "First Exclusivity Order") [Docket No. 343].

On January 17, 2013, the Debtors sought a further extension of their Exclusive Periods, seeking an extension of their Exclusive Filing Period to May 31, 2013 and their Exclusive Solicitation Period to July 30, 2013 (the "Second Exclusivity Motion") [Docket No. 485]. The Second Exclusivity Motion was also objected to by the Ad Hoc LP Secured Group. Following continuances of the hearing on the Second Exclusivity Motion, the Debtors and the Ad Hoc LP Secured Group entered into a stipulation (the "Exclusivity Stipulation") that was subsequently approved by order of the Bankruptcy Court (the "Second Exclusivity Order") [Docket No. 522]. Pursuant to the Exclusivity Stipulation, each of the Debtors' Exclusive Periods was further extended through and including July 15, 2013 (the "Exclusivity Termination Date"), and the Exclusive Periods would terminate with prejudice on the Exclusivity Termination Date. Pursuant to the Exclusivity Stipulation, the parties agreed to work in good faith toward the formulation of a consensual chapter 11 plan prior to the Exclusivity Termination Date, and the Debtors agreed, among other things, that they would not file a plan prior to the Exclusivity Termination Date unless such plan was either consented to by the Ad Hoc LP Secured Group or proposed to pay the Prepetition LP Obligations (as defined in the Exclusivity Stipulation) in cash in full on the effective date of such plan. The Exclusivity Stipulation also contained certain

termination conditions that would enable the Debtors to terminate certain of their obligations under the Exclusivity Stipulation, including if an entity or Person held more Prepetition Obligations than the Ad Hoc LP Secured Group (the "Termination Condition").

By letter dated May 20, 2013 (the "May 20 Letter"), the Debtors purported to terminate certain of their obligations under the Exclusivity Stipulation, alleging that the Termination Condition was satisfied. The Ad Hoc LP Secured Group disputed the validity and effect of the May 20, 2013 Letter. On June 18, 2013, the Ad Hoc LP Secured Group filed an emergency motion seeking to enforce the Second Exclusivity Order (the "Emergency Enforcement Motion") [Docket No. 685]. In the Emergency Enforcement Motion, the Ad Hoc LP Secured Group argued that the Termination Condition was not satisfied when the May 20 Letter was issued (or at any time thereafter) and that the entity the Debtors claimed held more Prepetition LP Obligations than the Ad Hoc LP Secured Group (SP Special Opportunities, LLC), joined the Ad Hoc LP Secured Group. On July 1, 2013, the Debtors filed an objection and cross-motion to the Emergency Enforcement Motion (to which Harbinger, U.S. Bank, and Mast Capital Management, a lender under the Prepetition Inc. Facility, joined) [Docket Nos. 705–07]. In the objection, the Debtors argued, among other things, that SP Special Opportunities, LLC's participation in the Debtors' capital structure rendered the Exclusivity Stipulation unenforceable and that SP Special Opportunities, LLC is not a permissible holder of Prepetition LP Obligations. To resolve this dispute, the Bankruptcy Court scheduled an evidentiary hearing for July 17, 2013. On the same date, the Bankruptcy Court adjourned the evidentiary hearing to August 6, 2013 but confirmed that the Debtors' Exclusive Periods expired on July 15, 2013.

O. Falcone Settlement With The SEC

As of the Petition Date, Harbinger indirectly owned approximately 96% of the outstanding common stock of LightSquared Inc., the ultimate parent company of LightSquared LP. On August 16, 2013, Philip A. Falcone, the Senior Managing Director and Chief Investment Officer of Harbinger, both individually and on behalf of certain Harbinger entities, consented to the entry of a final judgment in resolution of two lawsuits filed by the SEC. Pursuant to the consent judgment, Falcone admitted to, among other things, impermissibly manipulating the availability of certain securities, misappropriating $113.2 million from a hedge fund for which he served as an investment adviser, and impermissibly restricting redemption rights of certain fund investors while concealing his own preferential redemption rights. The consent judgment enjoins Falcone from acting as or associating with any broker, dealer, or investment adviser for five years (at which point he can reapply with the SEC), orders the defendants to pay disgorgement and civil penalties, and orders the appointment of an independent monitor to oversee the investment activities of the Harbinger funds—including the disposition of the funds' interests in the Company following LightSquared Inc.'s emergence from bankruptcy.

P. The Harbinger Complaint Against Charles W. Ergen and Others

Approximately two weeks following execution of the Plan Support Agreement and the filing of the initial version of the Plan, on August 6, 2013, Harbinger commenced an adversary proceeding (the "Harbinger Adversary Proceeding") against Charles W. Ergen, EchoStar Corporation ("Echostar"), DISH Network Corporation ("DISH"), LBAC, SPSO, Special Opportunities Holdings LLC ("SOH"), Sound Point Capital Management LP, and Stephen

Ketchum. In the complaint, which was subsequently amended on September 30, 2013, Harbinger alleges that in connection with LBAC's offer to purchase the LP Assets, Ergen and certain of his affiliates engaged in a fraudulent scheme to deprive Harbinger of its investment in and control over the Company. According to Harbinger, this alleged scheme was allegedly perpetrated by having SPSO acquire debt under the Prepetition LP Credit Facility allegedly in violation of the Prepetition LP Facility Credit Agreement's restrictions on transfers of debt to "Disqualified Companies." Harbinger seeks, among other things, compensatory damages of no less than $2 billion, punitive damages of no less than $2 billion, and the equitable disallowance of all or part of SPSO's claims. The Debtors, U.S. Bank and Mast Capital Management, LLC ("MAST"), and the Ad Hoc LP Secured Group intervened in the litigation.

On September 9, 2013, DISH, Echostar, and LBAC (the "DISH/Echostar Defendants") moved to dismiss the complaint on the grounds that, among others, no plausible claim had been asserted against any of them and that the allegations against them did not concern anything that they had said or done or failed to do but rather rested upon "unsubstantiated speculation that the DISH/Echostar Defendants were somehow responsible for the acts and omissions of SPSO." On that same date, Ergen, SPSO, and SOH (the "Ergen Defendants") moved to dismiss the complaint, claiming, among other things, that the lawsuit was brought to discredit LBAC's efforts to acquire the LP Assets and that the case "is Harbinger's, and Mr. Falcone's, last-ditch effort to retain control of LightSquared, at the expense of all other constituents in the bankruptcy cases." The Ergen Defendants also emphasized, among other things, that SPSO was not a Disqualified Company under the Prepetition LP Facility Credit Agreement. Also on September 9, 2013, Sound Point Capital Management LP and Stephen Ketchum (the "Sound Point Defendants") moved to dismiss the complaint, noting, among other things, that the claims asserted against them were derivative of claims against the Ergen Defendants and since those claims were not viable, the claims against the Sound Point Defendants must also fail. Following the filing of the amended complaint by Harbinger on September 30, 2013, each of the DISH/EchoStar Defendants, Ergen Defendants and Sound Point Defendants filed memoranda of law in further support of their respective motions to dismiss.

The Bankruptcy Court has scheduled hearings on the motions to dismiss for October 29, 2013. The Bankruptcy Court has also scheduled a trial on the merits, to the extent necessary, for December 2, 2013.

Q. The Harbinger Complaint Against the GPS Defendants

On August 9, 2013, Harbinger filed a complaint, which was subsequently amended on August 16, 2013 (the "GPS Complaint") in the United States District Court for the Southern District of New York against Deere & Company, Garmin International, Inc., Trimble Navigation Limited, the U.S. GPS Industry Council, and The Coalition to Save Our GPS (the "GPS Defendants"). In the GPS Complaint, Harbinger accuses the GPS Defendants of fraud, securities law violations, misrepresentation, and deceptive acts and practices, and seeks $1.9 billion in damages. Parties to this litigation have filed letters outlining their positions in respect of a potential motion to dismiss the GPS Complaint that the defendants indicated they intended to file. On September 30, 2013, the Debtors filed a motion (the "Stay Motion") in the Bankruptcy Court to stay the litigation against the GPS Defendants for a period of sixty (60) days or until a

time earlier than sixty (60) days if the Court grants a motion to lift the stay [Docket No. 888]. The Bankruptcy Court has scheduled a hearing on the Stay Motion for October 9, 2013.

As LightSquared observed in the Stay Motion, "there is a substantial question whether the claims asserted by Harbinger in the GPS [Complaint] are, in whole or in part, claims LightSquared also holds or owns," and that any claims of LightSquared against the GPS Defendants are property of its bankruptcy estate. As such, the filing of the GPS Complaint is potentially a violation of the automatic stay.

In addition, the filing of the GPS Complaint may have further entrenched the GPS community's opposition to the Debtors' L-Band operations. Following the filing of the GPS Complaint, certain GPS manufacturers and other industry representatives filed further comments in opposition to the Debtors' requested license modification. The continuing objections of the GPS community, as evidenced both in their formal comments and ex parte presentations to the FCC, at the very least, are highly likely to introduce substantial additional delay in the Debtors' FCC process.

R. The Competing Plans and Disclosure Statements

On July 19, 2013, the Debtors filed a motion for entry of an order formalizing certain procedures, scheduling hearing dates, and establishing other deadlines in connection with the disclosure statement and plan process (the "Plan Process Motion") [Docket No. 757]. The Plan Process Motion sought to establish a proposed timeline (the "Proposed Timeline") of hearing dates and other relevant deadlines in respect of the filing of a disclosure statement and plan by any party, and a potential sale process. A hearing on the Plan Process Motion was held on July 23, 2013 and the Bankruptcy Court entered an order granting the Plan Process Motion on July 24, 2013 (the "Plan Process Order") [Docket No. 772]. Pursuant to the Plan Process Order, a hearing to consider approval of disclosure statements would be held on September 30, 2013 and a hearing on confirmation of chapter 11 plans would be held on December 10, 2013.

Also on July 23, 2013, the Ad Hoc LP Secured Group filed an earlier version of this Disclosure Statement and the initial version of the Plan. Later, on August 26, 2013, the Ad Hoc LP Secured Group exclusive of SPSO (the "Independent Ad Hoc Group") filed a motion for entry of an order that, among other things, (i) approves the Disclosure Statement, (ii) fixes a voting record date, (iii) approves solicitation packages and procedures for distribution thereof, and (iv) approves forms of ballots and establishing procedures for voting on the Plan.

On August 29, 2013, the Debtors filed a general disclosure statement (the "General Disclosure Statement") [Docket No. 815], which sets forth, among other things, the Debtors' views regarding their businesses and operations and events leading up to the Debtors' bankruptcy filing.

On August 30, 2013, three other plans of reorganization were filed: one by the Debtors (the "Debtors' Plan") [Docket No. 817]; another by Harbinger (the "Harbinger Plan") [Docket No. 821]; and a third by U.S. Bank and Mast (the "One Dot Six Plan," and together with the Debtors' Plan and the Harbinger Plan, the "Competing Plans") [Docket No. 823].

On August 30, 2013, the Debtors filed a specific disclosure statement for the Debtors' Plan (the "Debtors' Specific DS") [Docket No. 818], the Harbinger Plan proponents filed a specific disclosure statement for the Harbinger Plan (the "Harbinger Specific DS") [Docket No. 822], and the One Dot Six Plan proponents filed a specific disclosure statement for the One Dot Six Plan [Docket No. 824], each of which further describes the respective Competing Plans.

1. The Debtors' Plan and Disclosure Statements

The Debtors' Plan is premised on a sale of substantially all of the Debtors' Assets (including combinations and/or subsets thereof) pursuant to the Auction under the Bid Procedures. The Debtors' Plan, however, does not at this time have in place a stalking horse bidder (unlike the Plan Sponsors' Plan, which is backed by the LBAC Bid of $2.22 billion in cash plus the assumption of certain material liabilities).

The Plan Sponsors believe that the Debtors' Plan is inferior to their own Plan. In contrast to the Debtors' Plan, which does not currently have any stalking horse bidder in place for its contemplated sale of Debtor Assets, the Plan Sponsors' Plan is supported by the LBAC Bid and LBAC's agreement to fund the Purchase Price prior to receipt of FCC or Industry Canada approval of the proposed transfer of the Acquired Assets to LBAC. This "early funding" feature will expedite the prompt distributions, as compared with the Debtors' Plan.

With respect to disclosure, the Plan Sponsors disagree with many of the statements included within the General Disclosure Statement and believe the General Disclosure Statement omits facts necessary for parties to make an informed decision with respect to voting on the Plan and Competing Plans. For example, the General Disclosure Statement fails to include any or sufficient discussion of, among other things: (i) allegations that the uplink portion of the Debtors' spectrum may potentially interfere with GPS operations; (ii) the analysis of the GPS industry submitted to the FCC challenging the Debtors' assertions that there is no such interference; (iii) the recent request of the GPS industry that the FCC undertake a separate rulemaking proceeding to consider the issue in greater depth (as described in the section of this Disclosure Statement entitled "The Chapter 11 Cases – Postpetition FCC Developments"); (iv) Crown Castle's construction of a mobile video network that will use certain spectrum in the 1670—1675 MHz block and the network's potential impact on the Debtors' business operations; or (v) the specific terms of the purchase offer for the LP Debtors' Assets received by the Debtors by LBAC and the Debtors' response thereto. Additionally, the Plan Sponsors disagree with the Debtors' inclusion of many statements that they believe are misleading or reflect a biased perspective. For example, the Plan Sponsors disagree with the Debtors' characterization of the current status of the regulatory process. Unlike the Debtors, the Plan Sponsors do not believe that the focus of the U.S. government has "shifted from indefinitely suspending LightSquared's terrestrial authorizations" or that the Debtors have made "substantial and tangible regulatory process since the issuance of the 2012 Public Notice and commencement of the Chapter 11 Cases." In light of their views of the adequacy of the General Disclosure Statement, the Plan Sponsors have prepared this Disclosure Statement for use and consideration in respect of their Plan.

The Plan Sponsors also believe that the Debtors' Specific DS is inadequate. The Plan Sponsors believe that the Debtors' Specific DS fails to contain an adequate explanation of

the basis for the Debtors' Plan's, and the Debtors' historical, allocation among the different estates of certain administrative claims and other expenses.

2. The Harbinger Plan and Disclosure Statement

The Harbinger Plan is premised on the continued pursuit of FCC regulatory approvals (through June 30, 2014 if necessary) and keeping common equity and the Debtors' boards of directors mostly intact. The Harbinger Plan purports to pay all holders of claims and equity interests will be paid in full through the distribution of cash (including the Debtors' existing cash and the proceeds of an exit facility and a capital contribution by Harbinger) and new secured notes issued by LightSquared Inc. and LightSquared LP and new unsecured notes issued by LightSquared Inc. Following these transactions, the Debtors would continue to exist as separate entities under their prepetition corporate structure.

The Harbinger Plan is proposed to be financed under three separate facilities. First, Harbinger proposes to obtain exit financing under an exit credit facility (the "Exit Facility") in an amount sufficient (when combined with existing cash) to satisfy all cash obligations due on the Harbinger Plan's effective date, including payment in full of claims under the Prepetition Inc. Credit Facility (the "Prepetition Inc. Facility Claims"), certain secured and priority claims, and general unsecured claims. Harbinger anticipates that the Exit Facility will be in the amount of at least $500 million and will share a first lien on all of the Debtors' Assets with holders of new secured notes issued by LightSquared LP. Second, LightSquared LP proposes to obtain a term loan maturing three years from the Harbinger Plan's effective date and secured by liens on substantially all of the Assets of the LP Debtors and LightSquared Inc., LightSquared Investors Holdings Inc., One Dot Four Corp., One Dot Six Corp., One Dot Six TVCC Corp., SkyTerra Rollup LLC, SkyTerra Rollup Sub LLC, SkyTerra Investors LLC, TMI Communications Delaware, Limited Partnership and LightSquared GP Inc. (collectively, the "Inc. Debtors"), and their subsidiaries, *pari passu* with the liens securing the Exit Facility and senior to all other liens. The proposed new notes (the "New LP Facility Notes") which are alleged to satisfy in full claims under the Prepetition LP Facility, would provide for interest at a lower rate than provided in the Prepetition LP Facility and would be payable in kind. Last, the Harbinger Plan proposes that LightSquared Inc. will obtain a subordinated loan in the amount of $573 million, backed by unsecured six-year notes bearing 14% interest that will be used to pay holders of existing preferred stock in LightSquared Inc. and LightSquared LP.

The Harbinger Plan also contemplates that additional funds will be received through (i) Harbinger's voluntary exchange of $159 million of its Prepetition Inc. Facility Claims into new common stock in LightSquared Inc. and (ii) a rights offering for $100 million in cash backstopped by Harbinger (the "Rights Offering"). In exchange for backstopping the Rights Offering, Harbinger would receive an indeterminate amount of new common stock of LightSquared Inc. and new warrants.

The Plan Sponsors believe that the Harbinger Plan is unconfirmable, and, if confirmed, is unfavorable to holders of Claims against and Equity Interests in the LP Debtors. The Harbinger Plan provides for treatment of the Prepetition LP Facility Claims that the Plan Sponsors – which control Class 2 (Prepetition LP Facility Security Claims) of the Harbinger Plan – would never accept. Accordingly, the Harbinger Plan will not be able to satisfy section 1129(a)(8) of the

Bankruptcy Code, which provides that a requirement for a confirmable plan is that "With respect to each class of claims or interests—(A) such class has accepted the plan; or (B) such class is not impaired under the plan." Harbinger's failure to satisfy section 1129(a)(8) of the Bankruptcy Code could be overlooked if the Bankruptcy Court chooses to non-consensually confirm the Harbinger Plan; however, the Plan Sponsors believe that the standard for non-consensual confirmation – generally, that the treatment of an impaired rejecting classes is in fact "fair and equitable" – would not be close to being satisfied under the Harbinger Plan. For example, the Plan Sponsors believe that the New LP Facility Notes are not the indubitable equivalent of the Prepetition LP Facility Claims given, among other things, the notes' sub-market interest rate and the disregarding and stripping of the covenants included in the Prepetition LP Facility Credit Agreement. Without acceptance of the Harbinger Plan by the class of LP Lenders, the Harbinger Plan cannot satisfy section 1129(a)(10) of the Bankruptcy Code absent the existence of some other impaired accepting class of creditors. However, the Plan Proponents believe that no other acceptable class exists since all other impaired creditor classes under the Harbinger Plan appear to be impermissibly artificially impaired. Moreover, the Harbinger Plan simply is not feasible because, among other reasons, its effectiveness is subject to remote contingencies (such as obtaining FCC authorizations) that the Plan Sponsors believe are unlikely to occur within any reasonable timeframe.

The Plan Sponsors also believe that the Harbinger Specific DS fails to contain adequate information. For example, the Harbinger Specific DS does not include, among other things, (i) discussion of the steps necessary and expected timeline for obtaining the FCC approvals contemplated as conditions precedent to the Harbinger Plan's effective date, (ii) discussion of how Harbinger expects to raise the financing necessary for consummation of its plan and how the efforts to raise such financing will differ from the Debtors' failed financing efforts through Jefferies, (iii) the documentation for, or even a complete statement of the terms and conditions of, the New LP Facility Notes, the Exit Facility, the Rights Offering, and the New Warrants (as defined in the Harbinger Plan), or (iv) discussion of what would occur if the conditions precedent to the effectiveness of the Harbinger Plan are not met before or on June 30, 2014. Likewise, the Plan Proponents believe that the Harbinger DS fails to reference numerous risk factors that apply with respect to the Harbinger Plan including, among others, that (i) the FCC may not provide the necessary authorizations, which are conditions precedent to the effectiveness of the Harbinger Plan, (ii) Harbinger's claims that would otherwise be exchanged into New Common Shares (as defined in the Harbinger Plan) could be subject to recharacterization, (iii) Melody Capital Advisors LLC's supposed $190 million commitment to the Exit Facility (as described in the Harbinger Specific DS) may be illusory, (iii) strategic options may be diminishing and demand for the Debtors' Assets may be declining given changing industry dynamics, particularly recently announced or closed transactions in the wireless spectrum with parties that may have had an interest in the Debtors' Assets and the expected increase in the supply of spectrum in the coming years, (iv) if the contemplated FCC approvals are not obtained that the Debtors may not be able to sell their Assets for as much as they would realize pursuant to the Auction (as defined below), or (v) the cash flow projections included within the Harbinger Specific DS may not be realized.

3. The One Dot Six Plan

The One Dot Six Plan provides for the sale of certain Assets of Debtor One Dot Six Corp. to a purchaser through a court-supervised auction process. MAST Spectrum Acquisition

Company LLC ("MSAC"), an entity formed by MAST, will serve as the stalking horse bidder for certain of One Dot Six Corp.'s Assets with a bid consisting of (i) a credit bid of all of its claims under the DIP Facility and $1 of its claims under the Prepetition Inc. Credit Facility and (ii) cash sufficient to pay in full all classes of claims receiving such treatment under the One Dot Six Plan. The proceeds of the sale will be distributed to holders of claims against that Debtor. Following the effective date of the One Dot Six Plan, One Dot Six Corp. would commence a wind down process.

4. Entry of Disclosure Statement Order

On October [9], 2013, the Bankruptcy Court entered an order authorizing the solicitation of the Plan using this Disclosure Statement and authorizing the solicitation of the Debtors' Plan, the Harbinger Plan and the One Dot Six Plan using the General Disclosure Statement and each specific disclosure statement prepared by the respective plan proponent [Docket No. _____].[16]

S. Debtors' Appointment of Independent Board

In their specific disclosure statement, the Debtors indicated that they would be appointing a special board committee (the "Independent LightSquared Committee"), including at least two independent board members (the "Independent Directors") who will represent a majority of the Independent LightSquared Committee, to oversee, among other things, the sale- and plan-related processes. On September 16 and 17, 2013, the Debtors elected Donna P. Alderman, Alan J. Carr, and Neal P. Goldman to serve as Independent Directors. In addition, the Debtors appointed Douglas Smith and David Murgio as non-voting, *ex officio* members of the special board committee. On September 19, 2013, the special committee retained Kirkland & Ellis LLP as legal counsel.

In the Omnibus Reply of the Independent Ad Hoc Secured Group of LightSquared LP Lenders to Bid Procedures Objections (the "Reply") [Docket No. 863], the Independent Ad Hoc Group objected to the appointment of Donna P. Alderman, Douglas Smith and David Murgio. Ms. Alderman's appointment was objectionable due to her contentious history with DISH. Specifically, Ms. Alderman worked at DBSD North America, Inc. ("DBSD") and participated in fighting DISH's bid for DBSD, resulting in DISH increasing its bid to acquire DBSD. In connection with the acquisition, Ms. Alderman was terminated by DBSD and then filed a $7 million claim for substantial contribution against the DBSD estates, to be funded by DISH. Ms. Alderman subsequently signed a release in favor of DISH and DBSD as part of a settlement agreement. Mr. Smith and Mr. Murgio are existing members of the LightSquared Inc. board and were appointed by Harbinger and the Independent Ad Hoc Group believes their inclusion on the Independent LightSquared Committee represented a problematic conflict that the Independent LightSquared Committee was intended to eradicate.

At a hearing before the Bankruptcy Court on September 24, 2013, the Debtors announced that Mr. Smith and Mr. Murgio agreed not to sit as *ex officio* members on the Independent LightSquared Committee. At the same hearing, the Bankruptcy Court found that, due to her

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prior relationship to a party that is an active participant in this case (i.e., DISH), Ms. Alderman was not an appropriate selection for the Independent Committee. As a replacement for Ms. Alderman, Christopher T. Rogers was appointed to the Independent LightSquared Committee. The Independent LightSquared Committee is currently comprised of three Independent Directors—Mr. Carr, Mr. Goldman and Mr. Rogers.

T. The LP Sale

1. Events Leading to the LP Sale

On May 15, 2013, the Debtors were presented with an offer by LBAC to purchase certain Assets of LightSquared LP (the "Sale Offer"). The Sale Offer entailed an unsolicited stalking horse bid to purchase for $2 billion certain of the LP Debtors' Assets, including the licenses, authorizations, and agreements for the use of 46 MHz of L-Band MSS spectrum and certain other Assets. Notably, the funding of the purchase price offered by LBAC in connection with the Sale Offer was not conditioned on FCC or Industry Canada approval of the proposed transfer of the LP Debtors' Assets to LBAC. The Plan Sponsors believe that the Debtors did not pursue LBAC's offer or otherwise engage in negotiations with LBAC regarding a sale of the LP Debtors' Assets, on the terms of the offer or otherwise. Instead, on May 31, 2013, the date LBAC's offer was set to lapse, the Debtors expressed disappointment that LBAC's bid did not include LightSquared Inc.'s Assets. On May 31, 2013, LBAC voluntarily and proactively extended such deadline.

2. Information Regarding LBAC

LBAC is a limited liability company organized under the laws of Delaware with its principal place of business in Colorado. LBAC is a wholly-owned subsidiary of DISH, a potential competitor of the Debtors who has previously completed transactions in this sector. LBAC is an affiliate of SPSO, which is a member of the Ad Hoc LP Secured Group and a Plan Sponsor.

3. The LBAC Bid

LBAC's obligations and the obligations of DISH with respect to the LBAC Bid are set forth in that certain Stalking Horse Agreement pursuant to which LBAC agreed to (i) pay a Cash purchase price of $2,220,000,000 (the "Purchase Price") for the Acquired Assets (as defined in the Independent Ad Hoc Group Bid Procedures) and (ii) assume certain material obligations of the LP Debtors. Payment of the Purchase Price is not conditioned on the receipt of FCC or Industry Canada approval of the proposed transfer of the Acquired Assets to LBAC. This "early funding" feature of the Stalking Horse Agreement will facilitate the making of prompt distributions to the holders of Prepetition LP Facility Claims (thereby cutting off the accrual of value-eroding interest) and other creditors. In addition, the Stalking Horse Agreement is conditioned upon provision of a customary Purchaser release and customary findings by the Bankruptcy Court in favor of Purchaser.

4. The Bid Procedures Motions

On August, 28, 2013, the Independent Ad Hoc Group filed a motion (the "Independent Ad Hoc Group Bid Procedures Motion") [Docket No. 809] seeking, among other things, approval of proposed bid procedures (the "Independent Ad Hoc Group Bid Procedures") and approval of LBAC as the Stalking Horse Bidder for the LP Assets and related stalking horse protections for the sale of the LP Assets and related stalking horse protections.

On September 10, 2013, MAST and U.S. Bank filed a motion [Docket No. 834] seeking, among other things, the approval of an entity established by MAST as the stalking horse bidder (the "One Dot Six Stalking Horse Bidder") for the sale of certain of One Dot Six's assets (the "One Dot Six Assets") and the establishment of bid procedures for the sale of the One Dot Six Assets. Also on September 10, 2013, the Debtors filed a motion [Docket No. 835] seeking entry of an order that would, among other things, establish bid procedures (the "Debtors' Bid Procedures") and schedule a date and time for an auction.

On September 17, 2013, MAST and U.S. Bank filed a supplement to the One Dot Six Bid Procedures [Docket No. 844], which attached bid procedures agreed to by the Independent Ad Hoc Group (the "Joint Bid Procedures"). The Joint Bid Procedures contemplated a sale of substantially all of the Assets owned by the Debtors to one or more bidders, with LBAC serving as stalking horse bidder for the LP Assets and MSAC serving as stalking horse for the One Dot Six Assets.

5. The Bid Procedures Order [17]

At the September 24, 2013 hearing, the Independent Ad Hoc Group, MAST/U.S. Bank, and the Debtors agreed to adjourn consideration of the various bid procedures to September 30, 2013 to allow the parties to negotiate a global set of bid procedures. The parties agreed to a global set of bid procedures (the "Bid Procedures") prior to the September 30, 2013 hearing.

On October 1, 2013, the Bankruptcy Court entered an agreed form of order establishing the Bid Procedures (the "Bid Procedures Order") [Docket No. 892], a copy of which is annexed hereto as Exhibit "E". The Bid Procedures contemplate a sale of substantially all of the assets owned by the Debtors to one or more bidders. Pursuant to the Bid Procedures, LightSquared, through the Independent LightSquared Committee,[18] in consultation with the Independent Ad Hoc Group, MAST/U.S. Bank, the Ad Hoc Group of LP Preferred Shareholders, and SIG Holdings (collectively, the "Stakeholder Parties") shall (i) determine whether any person is a Potential Bidder (as defined in the Bid Procedures), (ii) coordinate the efforts of Potential Bidders in conducting their respective due diligence investigations regarding the Debtors' businesses and Assets, (iii) receive offers from Qualified Bidders (as defined in the Bid Procedures), and (iv) negotiate any offer made to purchase Assets by a Qualified Bidder.

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[17] This section of the Disclosure Statement provides an overview of the Bid Procedures Order and is qualified in its entirety by the terms of the Bid Procedures Order.

[18] For the avoidance of doubt, any decision to be made, or action to be taken, by LightSquared under the Bid Procedures, the Auction, and any resulting Sale, shall be made or taken at the direction of the Independent LightSquared Committee.

a. *Stalking Horse Bids and Related Protections*

The Bid Procedures provide that LBAC will serve as stalking horse bidder for the LP Assets. LBAC has submitted the LBAC Bid of $2.22 billion in cash plus the assumption of certain material liabilities, the funding of which is not conditioned on FCC consent or Industry Canada approval, which bid is deemed a Qualified Bid under the Bid Procedures. LBAC is entitled to a break-up fee of $51,800,000 (2 1/3% of the cash portion of the LBAC Bid), or any larger percentage that may be subsequently awarded to another stalking horse bidder selected by the Debtors, plus expense reimbursement of up to $2,000,000.

The Bid Procedures further provide that MSAC will serve as stalking horse bidder for the One Dot Six Assets. MSAC has submitted a bid (the "MSAC Bid") in an amount equal to all obligations owing under the DIP Agreement, plus $1.00 of obligations owing under the Prepetition Inc. Credit Agreement, plus cash in the amount necessary to satisfy those obligations under any plan of reorganization that are required to be paid in cash, plus certain cure costs and assumed liabilities, which bid is deemed a Qualified Bid under the Bid Procedures. MSAC is entitled to an expense reimbursement payable in accordance with paragraph 16(a) of the DIP Order, as amended, but is not entitled to a break-up fee.

The Bid Procedures also provide that LightSquared may, in consultation with the Stakeholder Parties, seek approval from the Bankruptcy Court to enter into an agreement with any Qualified Bidder to act as a stalking horse for all or any grouping or subset of the Debtors' Assets. LightSquared may, in consultation with the Stakeholder Parties and subject to the Bankruptcy Court's approval, grant such potential stalking horse bidder a break-up fee of up to 3% of the cash purchase price of the applicable Assets and a maximum expense reimbursement of up to $2,000,000.

The Qualified Bid made by each stalking horse bidder (including LBAC and MSAC) plus the applicable bid protections offered to such stalking horse bidder will be the minimum Qualified Bid for the applicable Assets in the event of an auction (the "Baseline Bid").

b. *Participation Requirements*

Qualified Bidders must deliver their bids no later than November 20, 2013, at 5:00 p.m. (prevailing Eastern time) (the "Bid Deadline") in the form of an offer letter, which, among other things, specifies the Assets sought to be purchased. LightSquared may, after providing advance notice to the Stakeholder Parties, extend the Bid Deadline to a date not beyond November 25, 2013. All Qualified Bids (a) must be accompanied by a deposit into escrow equal to $100,000,000 if for the LP Assets or any grouping or subset of the LP Assets and the Inc. Assets,[19] or five (5) percent of the proposed purchase if solely for the Inc. Assets or any subset thereof; (b) may provide for forms of consideration that include cash or a combination of cash and other distributable forms of consideration; and (c) must exceed the aggregate consideration

[19] The "Inc. Assets" consist of all of the Assets of LightSquared Inc., LightSquared Investors Holdings Inc., SkyTerra Rollup LLC, One Dot Four Corp., One Dot Six Corp., SkyTerra Rollup Sub LLC, One Dot Six TVCC Corp., TMI Communications Delaware, Limited Partnership, LightSquared GP Inc., and SkyTerra Investors LLC.

to be paid to the Debtors' estates by the applicable Baseline Bid plus $50,000,000 if for the LP Assets or any grouping or subset of the LP Assets and the Inc. Assets, or the applicable Baseline Bid plus $10,000,000 if solely for the Inc. Assets or any subset thereof.

c. *Auction*

If the Independent LightSquared Committee receives a Qualified Bid (other than the LBAC Bid or the MSAC Bid) prior to the Bid Deadline, LightSquared will conduct an auction (the "Auction") on November 25, 2013 at 10:00 a.m. (prevailing Eastern time). If the Bid Deadline is extended to November 25, 2013, the Auction shall be conducted on December 3, 2013 at 10:00 a.m. (prevailing Eastern time). The Auction may be adjourned by LightSquared, but shall not be adjourned beyond December 6, 2013.

At the conclusion of the Auction, the Independent LightSquared Committee, in consultation with the Stakeholder Parties, shall select the highest or otherwise best offer(s) for the applicable Assets. The second highest or otherwise best offer(s) shall remain irrevocable until the earlier of (a) sixty (60) days after the order approving the highest or otherwise best offer for the applicable Assets, or (b) the date the Debtors receive the purchase price for the applicable Assets. To the extent LBAC is the second highest or otherwise best offer, LBAC's offer shall remain irrevocable until the earlier of (a) sixty (60) days after the order approving the highest or otherwise best offer for the applicable Assets, or (b) February 15, 2014.

6. Alternative Sale

The Asset Purchase Agreement provides that, under certain circumstances and after Funding of the cash Purchase Price thereunder, the Purchaser (and, in limited circumstances, the Seller) may elect to pursue an "Alternative Sale" of the Acquired Assets to a third party. If an Alternative Sale is pursued, recoveries to stakeholders under the Plan will be unaffected. Further information about a possible Alternative Sale is set forth in Section 3.5 of the Asset Purchase Agreement and Exhibit "B" (*Alternative Sale Procedures*) thereto.

7. Inmarsat Cooperation Agreement

The Asset Purchase Agreement provides for the assumption and assignment to the Purchaser of, among other things, the Inmarsat Cooperation Agreement. Certain parties, including MAST and U.S. Bank, take the position that assumption and assignment of the Inmarsat Cooperation Agreement requires the consent of LightSquared Inc., a party to the contract, and that the LightSquared Inc. bankruptcy estate must be compensated with respect thereto. The Plan Sponsors disagree with this position and that any such compensation is due to the LightSquared Inc. bankruptcy estate. To the extent not resolved, the Plan Sponsors expect the issue to be determined by the Bankruptcy Court in connection with confirmation.

VII.

THE PLAN

As a result of the chapter 11 process and through the Plan, the Plan Sponsors expect that the LP Debtors' Estates will obtain a substantially greater recovery than if the LP Debtors'

Assets had been liquidated under chapter 7 of the Bankruptcy Code. The Plan is annexed hereto as Exhibit "A" and forms part of this Disclosure Statement. The summary of the Plan set forth below is qualified in its entirety by the more detailed provisions set forth in the Plan.

A. Resolution of Certain Inter-Debtor Issues

1. Non-Consolidation Plan

Although for purposes of administrative convenience and efficiency the Plan has been filed as a joint Plan for each of the LP Debtors and consolidates classes of Claims against and Equity Interests in the LP Debtors, the Plan does not provide for the substantive consolidation of the LP Debtors. Such joint administration shall not affect any LP Debtor's status as a separate legal entity, change the organizational structure of the LP Debtors' business enterprise, constitute a change of control of any LP Debtor for any purpose, cause a merger or consolidation of any legal entities, nor cause the transfer of any assets and, except as otherwise provided by or permitted in the Plan, all LP Debtors shall continue to exist as separate legal entities. For the avoidance of doubt, the Plan must comply with section 1129 of the Bankruptcy Code for each LP Debtor, and votes with respect to the Plan will be tabulated on a non-consolidated basis by class and by Debtor for the purpose of determining whether the Plan satisfies section 1129 of the Bankruptcy Code with respect to each LP Debtor.

2. Intercompany Claims

Except as otherwise provided in the Plan, Administrative Claims and Intercompany Claims between and among the LP Debtors shall, solely for purposes of receiving Plan Distributions, be deemed resolved and therefore not entitled to any Plan Distribution and shall not be entitled to vote on the Plan.

3. Inc. Entity General Unsecured Claims

Any timely filed Allowed Inc. Entity General Unsecured Claim shall be classified as an LP General Unsecured Claim and receive the treatment set forth in Section 5.4 of the Plan, unless otherwise ordered by the Bankruptcy Court.

B. Provisions for Treatment of Unclassified Claims

1. Unclassified Claims

As provided by section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Fee Claims, U.S. Trustee Fees and Priority Tax Claims against the LP Debtors shall not be classified under the Plan, and shall instead be treated separately as Unclassified Claims on the terms set forth in Article III of the Plan. Holders of such Claims are not entitled to vote on the Plan.

2. Treatment of Administrative Claims

a. *Time for Filing Administrative Claims*

Each holder of an Administrative Claim, other than (i) a Fee Claim, (ii) a liability incurred and payable in the ordinary course of business by any LP Debtor (and not past due),

(iii) an Administrative Claim that has become an Allowed Claim on or before the Effective Date, or (iv) any claim by the Stalking Horse Bidder for payment of the Break-Up Fee or Expense Reimbursement under the Bid Procedures Order or Stalking Horse Agreement must file with the Bankruptcy Court and serve on (a) the LP Debtors, (b) the Office of the U.S. Trustee, and (c) the Plan Sponsors notice of such Administrative Claim no later than thirty (30) days after service of the Notice of the Effective Date. Such notice of Administrative Claim must include, at a minimum, (i) the name of the holder of the Administrative Claim, (ii) the amount of the Administrative Claim, and (iii) a detailed description of the basis for the Administrative Claim. **Failure to file and serve such notice timely and properly shall result in the Administrative Claim being forever barred and discharged.**

Notwithstanding the forgoing, the Plan Sponsors or the LP Debtors may request that the Bankruptcy Court establish one or more deadlines prior to the occurrence of Effective Date for the filing of Administrative Claims.

b. *Allowance of Administrative Claims*

An Administrative Claim with respect to which notice has been properly filed and served pursuant to Section 3.2(a) of the Plan shall become an Allowed Administrative Claim if no objection is filed within thirty (30) days after the later of (i) the Effective Date, (ii) the date of service of the applicable notice of Administrative Claim, or (iii) such later date as may be (a) agreed to by the holder of such Administrative Claim or (b) approved by the Bankruptcy Court on motion of a party in interest, without notice or a hearing. If an objection is filed within such thirty (30) day period (or any extension thereof) and is not otherwise resolved, the Administrative Claim shall become an Allowed Administrative Claim only to the extent allowed by Final Order. For the avoidance of doubt, any claim by the Stalking Horse Bidder for the Break-Up Fee or Expense Reimbursement shall be deemed an Allowed Administrative Expense Claim in accordance with the Bid Procedures Order, and the Stalking Horse Bidder shall not be required to file any notice of an Administrative Claim in accordance with Section 3.2(a) of the Plan or any other proof of claim or administrative expense in respect of any claim for the Break-Up Fee or Expense Reimbursement.

c. *Payment of Allowed Administrative Claims*

On the Plan Distribution Date, each holder of an Allowed Administrative Claim shall receive (i) the amount of such holder's Allowed Administrative Claim in one payment of Plan Consideration in the form of Cash (to the extent not previously paid by the LP Debtors) or (ii) such other treatment as may be agreed upon in writing by (a) the LP Debtors, and (b) such holder; provided, that such treatment shall not provide a recovery to such holder having a present value as of the Effective Date in excess of such holder's Allowed Administrative Claim; provided, further, that an Administrative Claim representing a liability incurred in the ordinary course of business of any of the LP Debtors may be paid by the respective LP Debtor in the ordinary course of business; provided, further, that the Break-Up Fee and Expense Reimbursement shall be paid in accordance with the terms of the Stalking Horse Agreement and Bid Procedures Order; and provided, further, that any Allowed Administrative Claim accrued or incurred prior to the Effective Date, but not paid on or prior to the Effective Date, shall be paid from the reserve established pursuant to Section 9.5(b) of the Plan (and, to the extent that amounts deposited in the reserve established pursuant to Section 9.5(b) of the Plan are

insufficient to pay such Allowed Administrative Claim, the LP Debtors may withdraw Cash from the Wind Down Reserve to pay such Allowed Administrative Claim).

d. *Ad Hoc LP Secured Group Fee Claims and Plan Sponsor Fee Claims*

In the case of the Ad Hoc LP Secured Group Fee Claims and Plan Sponsor Fee Claims, such Ad Hoc LP Secured Group Fee Claims and Plan Sponsor Fee Claims will be paid in full in Plan Consideration in the form of Cash on the Effective Date for all reasonable fees and expenses incurred up to the Effective Date (to the extent not previously paid by the LP Debtors), subject to the LP Debtors' prior receipt of invoices and reasonable documentation in connection therewith and without the requirement to file a Fee Application with the Bankruptcy Court. In the event that the LP Debtors dispute all or a portion of the Ad Hoc LP Secured Group Fee Claims or Plan Sponsor Fee Claims, the LP Debtors shall pay the undisputed amount of such Ad Hoc LP Secured Group Fee Claims or Plan Sponsor Fee Claims (as applicable), and segregate the remaining portion of such Ad Hoc LP Secured Group Fee Claims or Plan Sponsor Fee Claims (as applicable) until such dispute is resolved by the parties or by the Bankruptcy Court.

Payment of the Ad Hoc LP Secured Group Fee Claims and Plan Sponsor Fee Claims is required by Section 10.03 of the Prepetition LP Facility Credit Agreement, which provides that the LP Debtors shall pay all out-of-pocket expenses incurred by any lender thereunder (including attorneys' fees) during any workout or restructuring of the loans thereunder.

3. Treatment of Fee Claims

a. *Time for Filing Fee Claims*

Each Professional Person who holds or asserts a Fee Claim against the LP Debtors shall be required to file with the Bankruptcy Court, and serve on all parties required to receive notice, a final Fee Application no later than forty (40) days after the Effective Date or such other date as may be fixed by the Bankruptcy Code. **The failure to timely file and serve such final Fee Application shall result in the Fee Claim being forever barred and discharged.**

b. *Allowance of Fee Claims*

A Fee Claim in respect of which a Fee Application has been properly filed and served pursuant to Section 3.3(a) of the Plan shall become an Allowed Fee Claim only to the extent allowed by Final Order.

c. *Treatment of Fee Claims*

Each holder of an Allowed Fee Claim shall receive, in full satisfaction of such Allowed Fee Claim, (i) on the date such Fee Claim becomes an Allowed Fee Claim, or as soon thereafter as is practicable, Plan Consideration in the form of Cash in an amount equal to such Allowed Fee Claim (less any amounts previously paid on account of such Fee Claim by the LP Debtors) or (ii) such other treatment as may be agreed to by such holder of an Allowed Fee Claim; provided, that such treatment shall not provide a recovery to such holder having a present value as of the Effective Date in excess of such holder's Allowed Fee Claim; provided, further, that any Allowed Fee Claim accrued or incurred prior to the Effective Date, but not paid on or prior to the

Effective Date, shall be paid from the reserve established pursuant to Section 9.5(b) of the Plan (and, to the extent that amounts deposited in the reserve established pursuant to Section 9.5(b) of the Plan are insufficient to pay such Allowed Fee Claim, the LP Debtors may withdraw Cash from the Wind Down Reserve to pay such Allowed Fee Claim).

3. Treatment of U.S. Trustee Fees

The Disbursing Agent, on behalf of each of the LP Debtors, shall pay all outstanding U.S. Trustee Fees of such LP Debtor on an ongoing basis on the later of: (i) the Effective Date; and (ii) the date such U.S. Trustee Fees become due, until such time as a final decree is entered closing the applicable Chapter 11 Case or the applicable Chapter 11 Case is converted or dismissed, or the Bankruptcy Court orders otherwise. Any deadline for filing Administrative Claims shall not apply to U.S. Trustee Fees.

4. Treatment of Priority Tax Claims

Each holder of an Allowed Priority Tax Claim shall receive, in full satisfaction of such Allowed Priority Tax Claim (a) Plan Consideration in the form of Cash in the amount of such Allowed Priority Tax Claim (to the extent not previously paid by the LP Debtors) on the later of (i) the applicable Plan Distribution Date and (ii) as soon as practicable after such Priority Tax Claim becomes an Allowed Priority Tax Claim or (b) such other treatment as may be agreed to by such holder of an Allowed Priority Tax Claim; provided, that such treatment shall not provide a recovery to such holder having a present value as of the Effective Date in excess of such holder's Allowed Priority Tax Claim.

C. Treatment of Classified Claims and Equity Interests

The Plan treats the classes of Claims against and Equity Interests in the LP Debtors as follows:

1. Class 1 – LP Other Priority Claims

a. *Treatment*

The legal, equitable and contractual rights of the holders of LP Other Priority Claims are unaltered by the Plan. Except to the extent that a holder of an Allowed LP Other Priority Claim agrees to different treatment, on the applicable Plan Distribution Date, each holder of an Allowed LP Other Priority Claim shall receive Plan Consideration in the form of Cash in an amount equal to such Allowed Claim.

b. *Voting*

The LP Other Priority Claims are not impaired Claims. In accordance with section 1126(f) of the Bankruptcy Code, the holders of LP Other Priority Claims are conclusively presumed to accept the Plan and are not entitled to vote to accept or reject the Plan, and the votes of such holders will not be solicited with respect to such Allowed LP Other Priority Claims.

2. Class 2 – LP Other Secured Claims

a. *Treatment*

The legal, equitable and contractual rights of the holders of LP Other Secured Claims are unaltered by the Plan. Except to the extent that a holder of an Allowed LP Other Secured Claim agrees to different treatment, on the applicable Plan Distribution Date, each holder of an Allowed LP Other Secured Claim shall receive, at the election of the Plan Sponsors or LP Debtors, as applicable: (i) Plan Consideration in the form of Cash in an amount equal to such Allowed LP Other Secured Claim; or (ii) such other treatment that will render the LP Other Secured Claim unimpaired pursuant to section 1124 of the Bankruptcy Code. Each holder of an Allowed LP Other Secured Claim shall retain the Liens securing its Allowed LP Other Secured Claim as of the Effective Date until (A) full and final payment of such Allowed LP Other Secured Claim is made as provided in the Plan or (B) the Collateral securing such Liens is sold and such Liens shall attach to the respective proceeds of such sale to the extent attributable to such Collateral and with the same validity, priority, force and effect. Upon the full payment or other satisfaction of such Claims in accordance with the Plan, the Liens securing such Allowed LP Other Secured Claim shall be deemed released, terminated and extinguished, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order or rule or the vote, consent, authorization or approval of any Person.

b. *Voting*

The LP Other Secured Claims are not impaired Claims. In accordance with section 1126(f) of the Bankruptcy Code, the holders of LP Other Secured Claims are conclusively presumed to accept the Plan and are not entitled to vote to accept or reject the Plan, and the votes of such holders will not be solicited with respect to such Allowed LP Other Secured Claims.

c. *Deficiency Claims*

To the extent that the value of the Collateral securing each LP Other Secured Claim is less than the allowed amount of such LP Other Secured Claim, the undersecured portion of such Allowed Claim shall be treated for all purposes under the Plan as an Allowed LP General Unsecured Claim and shall be classified as an LP General Unsecured Claim.

d. *Separate Classification of LP Other Secured Claims*

LP Other Secured Claims have been classified together for each LP Debtor solely for purposes of describing treatment under the Plan. Each LP Other Secured Claim, to the extent secured by a Lien on Collateral different than that securing any LP Other Secured Claim, shall be treated as being in a separate sub-Class for the purpose of receiving Plan Distributions.

3. Class 3 – Prepetition LP Facility Claims

a. *Allowance*

On the Confirmation Date, the Prepetition LP Facility Claims shall be Allowed Claims.

b. *Treatment*

In full satisfaction, settlement, release and discharge of, and in exchange for, Prepetition LP Facility Claims, and except to the extent that a holder of an Allowed Prepetition LP Facility Claim agrees to less favorable treatment, each holder of an Allowed Prepetition LP Facility Claim shall receive, on the Funding Date, its Pro Rata Share of Plan Consideration remaining after (A) establishment of an appropriate reserve on the Funding Date for the payment of Allowed Unclassified Claims pursuant to Article III, (B) establishment of an appropriate reserve on the Funding Date for the payment of Allowed LP Other Priority Claims and Allowed LP Other Secured Claims pursuant to Section 5.1 and 5.2 of the Plan, respectively, and (C) establishment of an appropriate reserve for the payment of the LP General Unsecured Claims Distribution; provided, that, in the event that the Stalking Horse Bid is selected as the Successful Bid and the Funding Date occurs, the Plan Consideration distributed to holders of Allowed Prepetition LP Facility Claims, in full satisfaction, settlement, release and discharge of, and in exchange for, such Claims, shall equal $2,102,000,000 in the aggregate; and provided, further, in no event, shall any distributions to a holder of an Allowed Prepetition LP Facility Claim pursuant to Section 5.3(b) of the Plan be in excess of 100% of the amount of such holder's Allowed Prepetition LP Facility Claim.

c. *Voting*

The Prepetition LP Facility Claims are impaired Claims. Holders of such Claims are entitled to vote to accept or reject the Plan, and the votes of such holders will be solicited with respect to such Prepetition LP Facility Claims.

4. Class 4 – LP General Unsecured Claims

a. *Treatment*

In complete and final satisfaction, settlement, release, and discharge of, and in exchange for, LP General Unsecured Claims, and except to the extent that a holder of an Allowed LP General Unsecured Claim agrees to less favorable treatment, on the applicable Plan Distribution Date, each holder of an Allowed LP General Unsecured Claim shall receive such holder's Pro Rata Share of (A) the LP General Unsecured Claims Distribution, and (B) to the extent Allowed LP General Unsecured Claims exceed the LP General Unsecured Claims Distribution, Plan Consideration remaining, if any, after payment in full of all Allowed Unclassified Claims, Allowed LP Other Priority Claims, Allowed LP Other Secured Claims, and Allowed Prepetition LP Facility Claims; provided, in no event shall such distribution(s) be in excess of 100% of the amount of its Allowed LP General Unsecured Claim.

b. *Voting*

The LP General Unsecured Claims are impaired Claims. Holders of such Claims are entitled to vote to accept or reject the Plan, and the votes of such holders will be solicited with respect to such LP General Unsecured Claims.

5. Class 5 – Existing LP Preferred Units Equity Interests

a. *Treatment*

In complete and final satisfaction, settlement, release, and discharge of, and in exchange for, Existing LP Preferred Units Equity Interests, on the Effective Date, the Existing LP Preferred Units Equity Interests shall be cancelled and, except to the extent that a holder of an Allowed Existing LP Preferred Unit Equity Interest agrees to less favorable treatment, on the applicable Plan Distribution Date, each holder of an Existing LP Preferred Unit Equity Interest shall receive its Pro Rata Share of Plan Consideration remaining, if any, after payment in full of the Allowed LP General Unsecured Claims, including the amount (if any) of the LP General Unsecured Claims Distribution in excess of all Allowed LP General Unsecured Claims; provided, in no event shall such distribution(s) be in excess of 100% of the amount of its Allowed Existing LP Preferred Unit Equity Interest.

b. *Voting*

The Existing LP Preferred Units Equity Interests are impaired Equity Interests. Holders of such Equity Interests are entitled to vote to accept or reject the Plan, and the votes of such holders will be solicited with respect to such Existing LP Preferred Units Equity Interests.

6. Class 6 – LP Common Equity Interests

a. *Treatment*

In complete and final satisfaction, settlement, release, and discharge of, and in exchange for, LP Common Equity Interests on the Effective Date, LP Common Equity Interests shall be cancelled (except as set forth in Section 7.14 of the Plan) and, on the applicable Plan Distribution Date, each holder of an LP Common Equity Interest shall receive its Pro Rata Share of the Plan Consideration remaining, if any, after payment in full of the Existing LP Preferred Units Equity Interests.

b. *Voting*

The LP Common Equity Interests are impaired Equity Interests. Holders of such Equity Interests are entitled to vote to accept or reject the Plan, and the votes of such holders will be solicited with respect to such LP Common Equity Interests.

D. Acceptance or Rejection of the Plan

1. Classes of Claims Deemed to Accept the Plan

Class 1 – LP Other Priority Claims and Class 2 – LP Other Secured Claims are unimpaired under the Plan and are therefore deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

2. Class Acceptance Requirement

A Class of Claims shall have accepted the Plan if it is accepted by the holders of at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims in such Class that have voted on the Plan. A Class of Equity Interests shall have accepted the Plan

if it is accepted by holders of at least two-thirds (2/3) in amount of the Equity Interests in such Class that actually vote on the Plan.

3. Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code or "Cramdown"

If all applicable requirements for confirmation of the Plan are met as set forth in section 1129(a) of the Bankruptcy Code, except subsection (8) thereof, the Plan shall be treated as a request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code, notwithstanding the failure to satisfy the requirements of section 1129(a)(8), on the basis that the Plan is fair and equitable and does not discriminate unfairly with respect to each Class of Claims or Equity Interests that is impaired under, and has not accepted, the Plan.

4. Elimination of Vacant Classes

Any Class of Claims that does not have a holder of an Allowed Claim or a Claim 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.

5. Voting Classes; Deemed Acceptance by Non-Voting Classes

If a Class contains Claims or Equity Interests eligible to vote and no holders of Claims or Equity Interests eligible to vote in such Class vote to accept or reject the Plan, the Plan shall be deemed accepted by the holders of such Claims or Equity Interests in such Class.

E. Means for Implementation of the Plan

1. Plan Funding

Plan Distributions shall be made from Plan Consideration (which excludes, for the avoidance of doubt, Cash in the Wind Down Reserve) as of the Funding Date. Such Plan Consideration shall be used (i) first, to satisfy or establish an appropriate reserve for satisfaction of Allowed Unclassified Claims, Allowed LP Other Priority Claims and Allowed LP Other Secured Claims, in Cash (or, with respect to LP Other Secured Claims, as otherwise permitted under Section 5.2 of the Plan); (ii) second, to pay or establish an appropriate reserve for payment of the LP General Unsecured Claims Distribution in Cash; and (iii) third, to satisfy the LP Debtors' other obligations with respect to payment of Allowed Claims and Allowed Equity Interests under the Plan, in accordance with the terms thereof. The issuance or delivery of any Plan Distributions that are securities shall be exempt from registration under applicable securities laws pursuant to section 1145(a) of the Bankruptcy Code.

On the Funding Date, Cash from the LP Sale Proceeds in an amount to be (a) mutually agreed by the Plan Sponsors and the LP Debtors or (b) ordered by the Bankruptcy Court, shall be deposited in a segregated account to be held by the LP Debtors (the "Wind Down Reserve"). Although the Wind Down Reserve will be funded on the Funding Date, the Cash deposited in the Wind Down Reserve shall be used to provide funding for reasonable expenses incurred or

accrued by the LP Debtors on or after the Effective Date that are directly related to the Wind Down, including, without limitation, professional fees and expenses incurred by the LP Debtors in connection therewith. To the extent that amounts deposited in the Wind Down Reserve are insufficient to pay such expenses, the LP Debtors may withdraw Cash from the Disputed Claims Reserves established under Section 9.5 of the Plan, in an amount not to exceed $1,000,000. For the avoidance of doubt, the Cash deposited in the Wind Down Reserve shall not be used to provide funding for the LP Debtors' working capital needs (*i.e.*, operating expenditures and capital expenditures) on and after the Funding Date, which obligations shall be the responsibility of the Purchaser pursuant to, and subject in all respects to the terms of, the Asset Purchase Agreement. For the further avoidance of doubt, the Purchaser shall not be responsible for the payment of any expenses associated with the Wind Down in the event that the Wind Down Reserve is insufficient to pay such expenses.

After funding the Wind Down Reserve, the remaining LP Sale Proceeds shall be deposited in the Disbursement Account as set forth in Section 7.3 of the Plan.

The Confirmation Order shall provide that, pursuant to sections 105(a), 1123(a)(5), 1123(b)(4), 1141, and 1142(b), upon the occurrence of the Funding Date, the LP Debtors shall pay all Allowed Prepetition LP Facility Claims as set forth in the Plan. The Plan shall constitute a motion for approval of such payment. Thereafter, on motion of the LP Debtors or the Plan Sponsors, and after notice and a hearing, the Bankruptcy Court may enter additional Advance Payment Orders as it deems appropriate.

2. The LP Sale

The Confirmation Order shall approve a sale of the Acquired Assets under sections 105(a), 1123(a)(5), 1123(b)(4), 1129(b)(2)(A), 1141, 1142(b), 1145 and 1146(a) of the Bankruptcy Code pursuant to a sale process under the terms and conditions of the Asset Purchase Agreement and the Bid Procedures Order free and clear of any Claims, Liens, interests, or encumbrances. The LP Sale Proceeds shall include a Cash component in an amount sufficient for the Disbursing Agent to make all Plan Distributions required to be in the form of Cash, and for the LP Debtors to fund the Wind Down Reserve and Disputed Claims Reserves, and to pay all amounts due to be paid to the Stalking Horse Bidder pursuant to the terms of the Bid Procedures Order in the event the Stalking Horse Bidder is not the Purchaser, including the Break-Up Fee and Expense Reimbursement. Upon entry of the Confirmation Order, the LP Debtors shall be (a) authorized to, among other things, sell, assume, assign and/or transfer the Acquired Assets, subject to applicable law and the terms and conditions of the Asset Purchase Agreement (including, without limitation, receipt of the Specified Regulatory Approvals to the extent applicable), and take any and all actions necessary to consummate the LP Sale; and (b) authorized and directed to execute the Asset Purchase Agreement (to the extent not executed as of the Confirmation Date). Actions necessary to consummate the LP Sale may include, among others, (a) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any Asset, property, rights, liability, duty or obligation on terms consistent with the terms of the Asset Purchase Agreement and the Plan and having such other terms to which the LP Debtors and the Purchaser may agree and (b) all other actions that are necessary and appropriate in connection with such transactions, including making such filings or recordings that may be required by or appropriate under applicable state law. Nothing in the

Plan or Confirmation Order authorizes the transfer or assignment of the Acquired Assets to the Purchaser (or, if applicable, the Alternative Purchaser) without the Purchaser's (or, if applicable, the Alternative Purchaser's) compliance with applicable non-bankruptcy laws regarding the transfer, assignment, or ownership of such Assets.

3. Distribution Account

The Distribution Account shall be established to receive on the Funding Date the Plan Consideration. Plan Distributions to be made pursuant to the Plan or an Advance Payment Order shall be made from the Distribution Account. Upon the transfer of the Plan Consideration into the Distribution Account, the LP Debtors and the Purchaser will have no interest in, or with respect to, the Plan Consideration in the Distribution Account, except as otherwise provided in the Plan or the Confirmation Order. Upon the distribution of all Plan Consideration in the Distribution Account, the Distribution Account shall be extinguished.

4. Cancellation of Credit Agreements, Existing Securities and Agreements

Except for the purpose of evidencing a right to distribution under the Plan, and except as otherwise set forth in the Plan, on the Effective Date all agreements, instruments, and other documents evidencing any Claim or Equity Interest and any rights of any holder in respect thereof, shall be deemed cancelled, discharged and of no force or effect. Notwithstanding the foregoing, the applicable provisions of the Prepetition LP Facility Credit Documents shall continue in effect solely for the purposes of permitting the Prepetition LP Facility Agent and/or the Disbursing Agent to make distributions pursuant to the Plan on account of Allowed Prepetition LP Facility Claims and to effectuate any charging Liens permitted under the Prepetition LP Facility Credit Agreement, and to assert any rights the holders of Prepetition LP Facility Claims may have with respect to any guaranty of the Prepetition LP Facility Claims by a Person other than an LP Debtor. Except as otherwise set forth in the Plan, the holders of or parties to such cancelled instruments, securities and other documentation will have no rights arising from or relating to such instruments, securities and other documentation or the cancellation thereof, except the rights provided for pursuant to the Plan. Except as provided pursuant to the Plan, the Prepetition LP Facility Agent and its agents, successors and assigns shall be discharged of all of their obligations associated with the Prepetition LP Facility Credit Documents upon payment in full of the Prepetition LP Facility Claims.

5. Comprehensive Settlement of Claims and Controversies

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under the Plan, the provisions of the Plan will constitute a good faith compromise and settlement of all claims or controversies relating to the rights (including any subordination rights) that a holder of a Claim or Equity Interest may have with respect to any Allowed Claim or Allowed Equity Interest or any distribution to be made pursuant to the Plan on account of any Allowed Claim or Allowed Equity Interest. The entry of the Confirmation Order will constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that all such compromises or settlements are: (a) in the best interests of the LP Debtors and their respective

Estates and property, and of holders of Claims or Equity Interests; and (b) fair, equitable and reasonable.

6. Continued Corporate Existence and Vesting of Assets

Except as otherwise provided in the Plan, the LP Debtors will continue to exist after the Effective Date as separate corporate entities, in accordance with the applicable laws of the respective jurisdictions in which they are incorporated or organized, for the purposes of satisfying their obligations under the Plan, including making or assisting the Disbursing Agent in making distributions as required under the Plan and effectuating the Wind Down. On or after the Effective Date, each LP Debtor, in its sole and exclusive discretion, and subject to receipt of any required governmental or regulatory approvals (if any), may take such action as permitted by applicable law as such LP Debtor may determine is reasonable and appropriate, including, but not limited to, causing: (i) an LP Debtor to be merged into another LP Debtor, or its subsidiary or Affiliate; (ii) an LP Debtor to be dissolved without the necessity for any other or further actions to be taken by or on behalf of such dissolving LP Debtor or any payments to be made in connection therewith subject to the filing of a certificate of dissolution with the appropriate governmental authorities; (iii) the legal name of an LP Debtor to be changed; or (iv) the closing of an LP Debtor's Chapter 11 Case on the Effective Date or any time thereafter.

On and after the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, and except as otherwise provided in the Plan or in the Confirmation Order, all property of the LP Debtors' Estates (other than the Plan Consideration), including all claims, rights and Causes of Action shall vest in each respective LP Debtor free and clear of all Claims, Liens, charges, other encumbrances and interests. In addition, on and after the Effective Date, subject to the terms and conditions of the Plan (including, without limitation, Article IX of the Plan), the LP Debtors shall effectuate the Wind Down of the LP Debtors' Estates, and may use, acquire and dispose of property and prosecute, compromise or settle any Claims (including any Administrative Claims) and Causes of Action (in each case that are not Acquired Assets or Assumed Liabilities), as well as disputes relating to allowance of any Equity Interest, without supervision of or approval by the Bankruptcy Court and free and clear of any restrictions of the Bankruptcy Code or the Bankruptcy Rules other than restrictions expressly imposed by the Plan or the Confirmation Order. Without limiting the foregoing, the LP Debtors may pay, from the proceeds of the Wind Down Reserve, the charges that they incur on or after the Effective Date for Professional Persons' fees, disbursements, expenses or related support services without application to the Bankruptcy Court.

7. Existing Officers; Existing Boards

(a) Existing Officers. The Existing Officers shall continue in their positions with the LP Debtors on and after the Effective Date, in accordance with their respective existing employment agreements with the LP Debtors (to the extent assumed by the LP Debtors in accordance with Section 10.1 of the Plan) or any new employment agreement entered into by the LP Debtors and the applicable Existing Officer on or prior to the Effective Date. The Existing Officers shall be entitled to indemnification for claims, losses, expenses and liabilities arising on or after the Effective Date pursuant to the terms and conditions of the articles of incorporation, by-laws, or similar organizational documents of the applicable LP Debtor in place as of the Effective Date.

(b) Existing Boards. The members of the Existing Boards shall continue in their positions with the LP Debtors on and after the Effective Date. The members of the Existing Boards shall be entitled to indemnification for claims, losses, expenses and liabilities arising on or after the Effective Date pursuant to the terms and conditions of the articles of incorporation, by-laws, or similar organizational documents of the applicable LP Debtor in place as of the Effective Date.

8. Corporate Governance

From and after the Effective Date, each of the LP Debtors shall be managed and administered by the Existing Boards, which shall have full authority to administer the provisions of the Plan and the Asset Purchase Agreement, subject to the terms of the Asset Purchase Agreement. Each Existing Board may, subject to the terms of the Asset Purchase Agreement, authorize its applicable Existing Officers to take any actions contemplated by the Plan or the Asset Purchase Agreement on behalf of the applicable LP Debtor to the extent permitted by the articles of incorporation, by-laws, or similar organizational documents of such LP Debtor in place as of the Effective Date.

9. Wind Down of the LP Debtors and Their Estates

The Existing Boards shall oversee the Wind Down, subject to the terms and conditions of the Asset Purchase Agreement and the Plan, and shall make distributions to, and otherwise hold all property of the LP Debtors' Estates for the benefit of, holders of Allowed Claims and Allowed Equity Interests consistent and in accordance with the Plan and the Confirmation Order. The LP Debtors shall not be required to post a bond in favor of the United States.

Following the Effective Date, the LP Debtors shall not engage in any business activities or take any actions, except those necessary to effectuate the Plan and the Wind Down. On and after the Effective Date, the LP Debtors may take such action and settle and compromise Claims or Equity Interests without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, other than any restrictions expressly imposed by the Plan, the Confirmation Order and/or the Asset Purchase Agreement (including, without, limitation, Article IX of the Plan).

10. Power and Authority of the Existing Boards

The Existing Boards shall have the power and authority to perform the following acts on behalf of the LP Debtors, in addition to any powers granted by law or conferred by any other provision of the Plan and orders of the Bankruptcy Court, but in each case subject to the terms and conditions of the Asset Purchase Agreement and the Plan (including, without limitation, Article IX of the Plan): (i) take all steps and execute all instruments and documents necessary to make or assist the Disbursing Agent in making distributions to holders of Allowed Claims and Allowed Equity Interests; (ii) object to Claims and Equity Interests as provided in the Plan and prosecute such objections; (iii) resolve, compromise and/or settle any objections to the amount, validity, priority, treatment, allowance or priority of Claims, Administrative Claims, or Equity Interests; (iv) comply with the Plan and the obligations thereunder; (v) if necessary, employ, retain, or replace professionals to assist the LP Debtors in compliance with their obligations under the Asset Purchase Agreement and/or the Wind Down; (vi) establish, replenish or release reserves as provided in the Plan, as applicable; (vii) take all actions necessary or appropriate to

enforce the LP Debtors' rights under the Asset Purchase Agreement and any related document and to fulfill, comply with or otherwise satisfy the LP Debtors' covenants, agreements and obligations under the Asset Purchase Agreement and any related document; (viii) make all determinations on behalf of the LP Debtors under the Asset Purchase Agreement; (ix) prepare and file applicable tax returns for any of the LP Debtors; (x) liquidate any of the Retained Assets; (xi) deposit the LP Debtors' Estate funds, draw checks and make disbursements consistent with the terms of the Plan; (xii) purchase or continue insurance protecting the LP Debtors and property of the LP Debtors' Estates; (xiii) seek entry of a final decree in any of the Chapter 11 Cases at the appropriate time; (xiv) prosecute, resolve, compromise and/or settle any litigation; (xv) abandon in any commercially reasonable manner, including abandonment or donation to a charitable organization (as such term is described in Internal Revenue Code section 501(c)(3) (whose contributions are deductible under Internal Revenue Code section 170)) of the LP Debtors' choice, any LP Debtors' Estate Assets that are of no material benefit; and (xvi) take such other action as the LP Debtors may determine to be necessary or desirable to carry out the purpose of the Plan and/or consummation of the LP Sale in accordance with the Asset Purchase Agreement.

11. Assumed Liabilities

In accordance with the terms of the Asset Purchase Agreement, upon and after the Closing of the LP Sale pursuant to the Asset Purchase Agreement, the Purchaser (or, if applicable, the Alternative Purchaser) shall be responsible for payment and satisfaction of all Assumed Liabilities. Upon and after the Closing of the LP Sale pursuant to the Asset Purchase Agreement, all Persons holding Claims and Equity Interests arising out of or concerning an Assumed Liability, shall be forever barred, estopped and permanently enjoined from asserting against the LP Debtors and any of their property, such Claims or Equity Interests, as applicable. The Purchaser (and, if applicable, the Alternative Purchaser) is not assuming, and shall not become liable for the payment or performance of, any liabilities or other obligations of any of the LP Debtors of any nature whatsoever, whether accrued or unaccrued, other than the Assumed Liabilities.

12. Cancellation of Certain Existing Security Interests

Upon the full payment or other satisfaction of an Allowed LP Other Secured Claim, or promptly thereafter, the holder of such Allowed LP Other Secured Claim shall deliver to the LP Debtors any Collateral or other property of the LP Debtors held by such holder, and any termination statements, instruments of satisfactions, or releases of all security interests with respect to its Allowed LP Other Secured Claim that may be reasonably required in order to terminate any related financing statements, mortgages, mechanic's liens, or lis pendens; provided, however, any such Collateral that is an Acquired Asset received by the LP Debtors from the holder of such Allowed Claim shall be delivered promptly to the Purchaser (or, if applicable, the Alternative Purchaser) following the Closing.

13. Corporate Action

The LP Debtors shall serve on the U.S. Trustee quarterly reports of the disbursements made until such time as a final decree is entered closing the applicable Chapter 11 Case or the applicable Chapter 11 Case is converted or dismissed, or the Bankruptcy Court orders otherwise.

The deadline for filing Administrative Claims set forth in Section 3.2(a) of the Plan shall not apply to fees payable pursuant to section 1930 of title 28 of the United States Code.

Entry of the Confirmation Order shall establish conclusive corporate and other authority (and evidence of such corporate and other authority) required for each of the LP Debtors to undertake any and all acts and actions required to implement or contemplated by the Plan and Confirmation Order (including, without limitation, the execution and delivery of the Asset Purchase Agreement), and such acts and actions shall be deemed to have occurred and shall be in effect pursuant to applicable non-bankruptcy law and the Bankruptcy Code, without the need for board or shareholder vote and without any requirement of further action by the stockholders, directors, partners or managers of the LP Debtors (if any).

On the Confirmation Date, the Existing Boards are authorized and directed to execute and/or deliver, as the case may be, the agreements, documents and instruments contemplated by the Plan, the Plan Supplement and the Asset Purchase Agreement and any schedules, exhibits or other documents attached thereto or contemplated thereby in the name and on behalf of the LP Debtors.

Upon entry of a final decree in each Chapter 11 Case, if not previously dissolved, the applicable LP Debtor shall be deemed dissolved and wound up without any further action required by such LP Debtor.

14. Intercompany Equity Interests

No Equity Interest held by an LP Debtor in another LP Debtor shall be cancelled by the terms of the Plan, and all such Equity Interests shall continue in place following the Effective Date solely for the purpose of maintaining the existing corporate structure of the LP Debtors. The Equity Interests held by any Inc. Entity in any LP Debtor shall be cancelled in accordance with Section 5.6 of the Plan; provided, that, no such Equity Interests shall be cancelled to the extent that the cancellation of such Equity Interests would cause the dissolution or winding up of any LP Debtor prior to the consummation of its Wind Down in accordance with the Plan, in which case such Equity Interests shall be cancelled immediately upon the consummation of, and pursuant to, such Wind Down.

F. Plan Distribution Provisions

1. The Disbursing Agent

All Plan Distributions under the Plan shall be made by the Disbursing Agent as provided in the Plan or as set forth in an Advance Payment Order. The Disbursing Agent shall be empowered to: (a) take all steps and execute all instruments and documents necessary to make Plan Distributions to holders of Allowed Claims and Equity Interests; (b) comply with the Plan and the obligations thereunder; (c) make periodic reports regarding the status of distributions under the Plan to the holders of Allowed Claims that are outstanding at such time, with such reports to be made available upon request to the holder of any Disputed Claim; and (d) exercise such other powers as may be vested in the Disbursing Agent pursuant to the Plan, the Plan Documents, the Confirmation Order, or any other order of the Bankruptcy Court. Except as otherwise ordered by the Bankruptcy Court, and subject to the written agreement of the LP Debtors if the Disbursing Agent is a Person other than the LP Debtors, the amount of any reasonable documented fees and expenses incurred by the Disbursing Agent on or after the

Effective Date (including, without limitation, taxes) and any reasonable compensation and expense reimbursement Claims (including, without limitation, reasonable attorney and other professional fees and expenses) made by the Disbursing Agent shall be paid in Cash by the LP Debtors from the Wind Down Reserve.

2. Postpetition Interest

Postpetition interest shall be paid on Allowed Prepetition LP Facility Claims as set forth in the Plan and the Prepetition LP Facility Credit Documents. In addition, postpetition interest and/or dividends shall be paid on Allowed Existing LP Preferred Units Equity Interests to the extent that (a) there is sufficient Plan Consideration to make a Plan Distribution to holders of LP Common Equity Interests after giving effect to all other Plan Distributions contemplated by the Plan and (b) payment of such amounts is permitted under applicable bankruptcy or non-bankruptcy law. With respect to all Claims and Equity Interests other than Allowed Prepetition LP Facility Claims and Allowed Existing LP Preferred Units Equity Interests, postpetition interest shall not accrue or be paid, and no holder of a Claim or Equity Interest shall be entitled to interest accruing on such Claim or Equity Interest after the Petition Date, except as otherwise specifically provided for in the Confirmation Order or other order of the Bankruptcy Court, or required by applicable bankruptcy or non-bankruptcy law.

3. Timing of Plan Distributions

Unless otherwise provided in the Plan, any distributions and deliveries to be made pursuant to the Plan shall be made on the applicable Plan Distribution Date or as soon thereafter as is practicable, provided that the LP Debtors or the Disbursing Agent, as applicable, may utilize periodic distribution dates to the extent appropriate and not otherwise inconsistent with the Plan. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

4. Distribution Record Date

As of the close of business on the Distribution Record Date, the various lists of holders of Claims and Equity Interests in each of the Classes, as maintained by the LP Debtors, or their agents, shall be deemed closed and there shall be no further changes in the record holders of any of the Claims and Equity Interests. Neither the LP Debtors nor the Disbursing Agent shall have any obligation to recognize any transfer of Claims or Equity Interests occurring after the close of business on the Distribution Record Date. Additionally, with respect to payment of any Cure Costs or any Cure Disputes in connection with the assumption and/or assignment of the LP Debtors' executory contracts and leases, the LP Debtors shall have no obligation to recognize or deal with any party other than the non-LP Debtor party to the underlying executory contract or lease, even if such non-LP Debtor party has sold, assigned or otherwise transferred its Claim for a Cure Cost.

Plan Distributions to be made on account of Allowed Prepetition LP Facility Claims shall be made by the Disbursing Agent to the Prepetition LP Facility Agent, who shall distribute such Plan Distributions to holders of Allowed Prepetition LP Facility Claims in accordance with the

terms of the Prepetition LP Facility Credit Agreement. The Prepetition LP Facility Agent shall cooperate and assist the Disbursing Agent in connection with such distributions to the holders of Allowed Prepetition LP Facility Claims. The LP Debtors, through the Disbursing Agent, shall pay the Prepetition LP Facility Agent's reasonable documented fees and expenses incurred in providing any such cooperation or assistance from the Wind Down Reserve.

Plan Distributions to be made on account of Allowed Claims and Equity Interests other than Prepetition LP Facility Claims shall be made directly by the Disbursing Agent to the holders of such Claims and Equity Interests.

5. Address for Delivery of Plan Distributions/Unclaimed Plan Distributions

Subject to Bankruptcy Rule 9010, any Plan Distribution or delivery to a holder of an Allowed Claim or Equity Interest shall be made at the address of such holder as set forth in the last-dated of the following actually held or received by the LP Debtors or the Disbursing Agent prior to the Effective Date: (a) the Schedules; (b) the Proof of Claim filed by such holder; (c) any notice of assignment filed with the Bankruptcy Court with respect to such Claim or Equity Interest pursuant to Bankruptcy Rule 3001(e); (d) any notice served by such holder giving details of a change of address; or (e) the transfer ledger in respect of the Existing LP Preferred Units Equity Interests and LP Common Equity Interests. If any Plan Distribution sent to the holder of a Claim or Equity Interest is returned to the Disbursing Agent as undeliverable, no Plan Distributions shall be made to such holder unless the Disbursing Agent is notified of such holder's then current address within one hundred and twenty (120) days after such Plan Distribution was returned. After such date, if such notice was not provided, such holder shall have forfeited its right to such Plan Distribution, and the undeliverable Plan Distribution shall revert to the Distribution Account. Upon such reversion, the Claim or Equity Interest of any holder or its successors with respect to such property shall be cancelled, discharged and forever barred notwithstanding any applicable federal or state escheat, abandoned or unclaimed property laws to the contrary.

6. Time Bar to Cash Payments

Checks issued in respect of Allowed Claims shall be null and void if not negotiated within ninety (90) days after the date of issuance thereof. Requests for reissuance of any voided check shall be made directly to the Disbursing Agent by the holder of the Allowed Claim to whom such check was originally issued. Any claim in respect of such a voided check shall be made within one hundred and twenty (120) days after the date of issuance of such check. If no request is made as provided in the preceding sentence, any claims in respect of such voided check shall be discharged and forever barred and such unclaimed Plan Distribution shall revert to the Distribution Account.

7. No Distribution in Excess of Amount of Allowed Claim

Notwithstanding anything to the contrary in the Plan, no holder of an Allowed Claim shall, on account of such Allowed Claim, receive a Plan Distribution (of a value set forth in the Plan) in excess of the allowed amount of such Claim plus postpetition interest on such Claim, to the extent interest is permitted under Section 8.2 of the Plan.

8. Setoffs and Recoupments

Each LP Debtor, or such entity's designee as instructed by such LP Debtor, may, pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, set off and/or recoup against any Allowed Claim (other than an Allowed Prepetition LP Facility Claim) or any Allowed Equity Interest, and the Plan Distributions on account of such Allowed Claim or Allowed Equity Interest, any and all claims, rights and Causes of Action that an LP Debtor or its successors may hold against the holder of such Allowed Claim or Allowed Equity Interest after the Effective Date; provided, however, that neither the failure to effect a setoff or recoupment nor the allowance of any Claim or Equity Interest (other than an Allowed Prepetition LP Facility Claim) will constitute a waiver or release by an LP Debtor or its successor of any and all claims, rights and Causes of Action that an LP Debtor or its successor may possess against such holder; and provided, further, that any proposed setoff or recoupment of the LP Debtors' rights or Causes of Action against an Allowed Inc. Entity General Unsecured Claim shall be subject to Bankruptcy Court approval as a settlement of such Allowed Inc. Entity General Unsecured Claim pursuant to Section 9.3 of the Plan.

9. Fractional Cents and De Minimis Distributions

Notwithstanding any other provision of the Plan to the contrary, (i) no payment of fractions of cents will be made; and (ii) the Disbursing Agent shall not have any obligation to make a Plan Distribution that is less than or $40.00 in Cash. Whenever any payment of a fraction of a cent would otherwise be called for, the actual payment shall reflect a rounding down of such fraction to the nearest whole cent.

10. Manner of Payment Under the Plan

Unless the Person receiving a Plan Distribution agrees otherwise, any Plan Distribution to be made in Cash under the Plan shall be made, at the election of the Disbursing Agent, by check drawn on a domestic bank or by wire transfer from a domestic bank. Cash payments to foreign creditors may be, in addition to the foregoing, made at the option of the Disbursing Agent in such funds and by such means as are necessary or customary in a particular foreign jurisdiction. The issuance or delivery of any Plan Distribution that is a security shall be exempt from registration under applicable securities laws pursuant to section 1145(a) of the Bankruptcy Code.

11. Requirement to Give a Bond or Surety

The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court and, in the event that the Disbursing Agent is so otherwise ordered, all costs and expenses of procuring any such bond or surety shall be borne by the applicable LP Debtor. Furthermore, any such Person required to give a bond shall notify the Bankruptcy Court and the U.S. Trustee in writing before terminating any such bond that is obtained.

12. Withholding and Reporting Requirements

In connection with the Plan and all distributions thereunder, the LP Debtors shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all Plan Distributions thereunder shall be subject to any such withholding and reporting requirements. The LP Debtors shall be authorized to take any and all actions that

may be necessary or appropriate to comply with such withholding and reporting requirements, including, without limitation, liquidating a portion of any Plan Distribution to generate sufficient funds to pay applicable withholding taxes or establishing any other mechanisms the LP Debtors or the Disbursing Agent believe are reasonable and appropriate, including requiring a holder of a Claim or Equity Interest to submit appropriate tax and withholding certifications. Notwithstanding any other provision of the Plan: (a) each holder of an Allowed Claim and/or an Allowed Equity Interest that is to receive a distribution under the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations on account of such distribution; and (b) no Plan Distributions shall be required to be made to or on behalf of such holder pursuant to the Plan if, after 120 days from the date of transmission of a written request to the holder of an Allowed Claim or Allowed Equity Interest, the LP Debtors do not receive a valid, completed IRS form from such holder of an Allowed Claim or Allowed Equity Interest, which is otherwise required for reporting purposes, and such holder shall be treated as if their Claims or Equity Interests had been disallowed.

13. Cooperation with Disbursing Agent

The LP Debtors and their Professional Persons shall use all commercially reasonable efforts to provide the Disbursing Agent (if an entity other than the LP Debtors) with the amount of Claims and Equity Interests and the identity and addresses of holders of Claims and Equity Interests, in each case, as set forth in the LP Debtors' books and records. The LP Debtors and their Professional Persons shall cooperate in good faith with the Disbursing Agent (if an entity other than the LP Debtors) to comply with any of its reporting and withholding requirements.

G. Reserves and Procedures for Resolving Disputed Claims

1. Objections to Claims

Other than with respect to Fee Claims (to which any party in interest may object) and Inc. Entity General Unsecured Claims (to which the Ad Hoc LP Secured Group or any member thereof may object), only the LP Debtors shall be entitled to object to Claims after the Effective Date. Any objections to Claims (other than Administrative Claims), shall be served and filed on or before the later of: (a) one-hundred twenty (120) days after the Effective Date; and (b) such other date as may be fixed by the Bankruptcy Court, whether fixed before or after the date specified in Section 9.1(a) of the Plan. Any Claims filed after the applicable bar date (including Inc. Entity General Unsecured Claims filed after the Inc. Entity General Unsecured Claims Bar Date), shall be deemed disallowed and expunged in their entirety without further order of the Bankruptcy Court or any action being required on the part of the LP Debtors unless the Person wishing to file such untimely Claim has received Bankruptcy Court authority to do so. Notwithstanding any authority to the contrary, an objection to a Claim shall be deemed properly served on the claimant if the objecting party effects service in any of the following manners: (i) in accordance with Federal Rule of Civil Procedure 4, as modified and made applicable by Bankruptcy Rule 7004; (ii) by first class mail, postage prepaid, on the signatory on the Proof of Claim as well as all other representatives identified in the Proof of Claim or any attachment thereto; or (iii) if counsel has agreed to or is otherwise deemed to accept service, by first class mail, postage prepaid, on any counsel that has appeared on the claimant's behalf in the Chapter 11 Cases (so long as such appearance has not been subsequently withdrawn).

2. Amendment to Claims

Except with respect to Administrative Expense Claims and Fee Claims, from and after the Effective Date, no Claim may be filed to increase or assert additional Claims not reflected in an already filed Claim (or Claim scheduled, unless superseded by a filed Claim, on the applicable LP Debtor's Schedules) asserted by such claimant and any such Claim shall be deemed disallowed and expunged in its entirety without further order of the Bankruptcy Court or any action being required on the part of the LP Debtors unless the claimant has obtained the Bankruptcy Court's prior approval to file such amended or increased Claim.

3. Settlement of Claims and Causes of Action

Notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, from and after the Effective Date, the LP Debtors shall have authority to settle or compromise all Claims (to the extent not previously compromised, settled and released under the Plan) without further review or approval of the Bankruptcy Court; provided, that notwithstanding the foregoing, the LP Debtors may not settle or compromise any Inc. Entity General Unsecured Claim without approval of the Bankruptcy Court, which the LP Debtors may seek on fourteen (14) calendar days' notice to the Ad Hoc LP Secured Group and Plan Sponsors.

4. Estimation of Claims

The LP Debtors (or any of them, as applicable) may at any time request that the Bankruptcy Court estimate any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the LP Debtors (or any of them, as applicable) has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any Disputed Claim, that estimated amount shall constitute the allowed amount of such Claim for all purposes under the Plan except with respect to Plan Distributions, and with respect to Plan Distributions, the estimated amount shall constitute the maximum allowed amount of such Claim. All of the objection, estimation, settlement, and resolution procedures set forth in the Plan are cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

5. Claims Reserves

a. *No Plan Distributions Pending Allowance*

Except as provided in Section 9.5 of the Plan, Disputed Claims shall not be entitled to any Plan Distributions unless and until such Claims become Allowed Claims.

b. *Unclassified Claims Reserve*

On the Funding Date or as soon thereafter as is reasonably practicable, the LP Debtors shall set aside and reserve, for the benefit of each holder of a Disputed Claim that is an Administrative Claim or Priority Tax Claim, Plan Consideration in the form of Cash in an

amount equal to (i) the amount of such Claim as estimated by the Bankruptcy Court pursuant to an Estimation Order, (ii) if no Estimation Order has been entered with respect to such Claim, the amount in which such Disputed Claim is proposed to be allowed in any pending objection filed with respect to such Claim, or (iii) if no Estimation Order has been entered with respect to such Claim, and no objection to such Claim is pending on the Effective Date, the greater of (A) the amount listed in the Schedules and (B) the amount set forth in such timely filed Proof of Claim or application for payment filed with the Bankruptcy Court or Claims Agent. In addition, on the Funding Date or as soon thereafter as is reasonably practicable, the LP Debtors shall set aside and reserve, for the benefit of each holder of an Administrative Claim (including a Fee Claim) that has been or may be incurred prior to the Effective Date and has not been paid by the LP Debtors. Plan Consideration in the form of Cash in an amount equal to such Administrative Claim (based on the Plan Sponsors' best estimate of the allowable amount of such Claim). To the extent that amounts deposited in the reserve established pursuant to Section 9.5(b) of the Plan are insufficient to pay any Allowed Administrative Claim or Allowed Priority Tax Claim, the LP Debtors may withdraw Cash from the Wind Down Reserve to pay such Allowed Claims. For the avoidance of doubt, the Cash reserved pursuant to Section 9.5(b) of the Plan shall not be used to provide funding for the LP Debtors' working capital needs (*i.e.*, operating expenditures and capital expenditures) on and after the Funding Date, which obligations shall be the responsibility of the Purchaser pursuant to, and subject in all respect to the terms of, the Asset Purchase Agreement.

c. *Disputed LP Other Priority Claims and Disputed LP Other Secured Claims Reserve*

On the Funding Date or as soon thereafter as is reasonably practicable, the LP Debtors shall set aside and reserve, for the benefit of each holder of a Disputed Claim that is a LP Other Priority Claim or LP Other Secured Claim, Plan Consideration in the form of Cash in an amount equal to (i) the amount of such Claim as estimated by the Bankruptcy Court pursuant to an Estimation Order, (ii), if no Estimation Order has been entered with respect to such Claim, the amount in which such Disputed Claim is proposed to be allowed in any pending objection filed with respect to such Claim, or (iii), if no Estimation Order has been entered with respect to such Claim, and no objection to such Claim is pending on the Effective Date, the greater of (A) the amount listed in the Schedules and (B) the amount set forth in a timely filed Proof of Claim or application for payment filed with the Bankruptcy Court or Claims Agent. To the extent that amounts deposited in the reserve established pursuant to Section 9.5(c) of the Plan are insufficient to pay any Allowed LP Other Priority Claim or Allowed LP Other Secured Claim, the LP Debtors may withdraw Cash from the Wind Down Reserve to pay such Allowed Claims.

d. *Disputed LP General Unsecured Claims Reserve*

On the Effective Date or as soon thereafter as is reasonably practicable, the LP Debtors shall set aside and reserve, for the benefit of each holder of a Disputed Claim that is an LP General Unsecured Claim, Plan Consideration in an amount equal to (i) the LP General Unsecured Claims Distribution minus the amount of Allowed LP General Unsecured Claims as of the Funding Date, or (ii) such other amount as may be ordered by the Bankruptcy Court on or prior to the Confirmation Date. Further, so long as the Allowed Prepetition LP Facility Claims have been paid in full on the Effective Date as set forth in Section 5.3 of the Plan, and only to the

extent the aggregate amount of Disputed LP General Unsecured Claims (as calculated under the Plan) exceeds the Cash set aside and reserved pursuant to the first sentence of Section 9.5(d) of the Plan, the LP Debtors shall, on the Funding Date or as soon thereafter as is reasonably practicable, set aside and reserve, for the benefit of each holder of a Disputed LP General Unsecured Claim, Cash in an amount equal to (i) the amount of such Claim as estimated by the Bankruptcy Court pursuant to an Estimation Order, (ii) if no Estimation Order has been entered with respect to such Claim, the amount in which such Disputed Claim is proposed to be allowed in any pending objection filed by the LP Debtors, or (iii) if no Estimation Order has been entered with respect to such Claim, and no objection to such Claim is pending on the Effective Date, the greater of (A) the amount listed in the Schedules and (B) the amount set forth in a timely filed Proof of Claim or application for payment filed with the Bankruptcy Court or Claims Agent.

e. *Plan Distributions to Holders of Subsequently Allowed Claims*

On each Plan Distribution Date (or such earlier date as determined by the LP Debtors or the Disbursing Agent in their sole discretion but subject to Section 9.5 of the Plan), the Disbursing Agent will make Plan Distributions from the applicable Disputed Claims Reserve on account of any Disputed Claim that has become an Allowed Claim since the occurrence of the previous Plan Distribution Date. The Disbursing Agent shall distribute from the applicable Disputed Claims Reserve in respect of such newly Allowed Claims the Plan Distributions to which holders of such Claims would have been entitled under the Plan if such newly Allowed Claims were fully or partially Allowed, as the case may be, on the Effective Date, less direct and actual expenses, fees, or other direct costs of maintaining Cash on account of such Disputed Claims.

f. *Distribution from Disputed Claims Reserves Upon Disallowance*

Except as otherwise provided in the Plan, to the extent any Disputed Claim has become a Disallowed Claim in full or in part (in accordance with the procedures set forth in the Plan), any Cash held in any Disputed Claim Reserve by the LP Debtors on account of, or to pay, such Disputed Claim shall revert to the Distribution Account and be distributed to holders of Allowed Claims or Allowed Equity Interests in accordance with Article V of the Plan.

6. No Recourse

Notwithstanding that the allowed amount of any particular Disputed Claim is (a) reconsidered under the applicable provisions of the Bankruptcy Code and Bankruptcy Rules or (b) allowed in an amount for which, after application of the payment priorities established by the Plan, there is insufficient value to provide a recovery equal to that received by other holders of Allowed Claims or Allowed Equity Interests in the respective Class, no Claim or Equity Interest holder shall have recourse against the Disbursing Agent, the LP Debtors, the Purchaser (and, if applicable, the Alternative Purchaser) or any of their respective professionals, consultants, officers, directors, employees or members or their successors or assigns, or any of their respective property. However, nothing in the Plan shall modify any right of a holder of a Claim under section 502(j) of the Bankruptcy Code, nor shall it modify or limit the ability of claimants (if any) to seek disgorgement to remedy any unequal distribution from parties other than those released under Section 9.6 of the Plan. For the avoidance of doubt, and notwithstanding

anything to the contrary herein, except as expressly provided in the Asset Purchase Agreement, the Purchaser (and, if applicable, the Alternative Purchaser) shall not be liable for the payment of any Administrative Claims (including Fee Claims) accrued or incurred prior to the Effective Date under any circumstances, including in the event that the reserve for such claims established under Section 9.5(b) of the Plan is insufficient to pay such Administrative Claims in full as provided in Section 3.2 of the Plan. The estimation of Claims and the establishment of reserves under the Plan may limit the distribution to be made on individual Disputed Claims and other Claims contemplated to be paid from the reserves established under Section 9.5 of the Plan, regardless of the amount finally allowed on account of such Claims.

H. Treatment of Executory Contracts and Unexpired Leases

1. General Treatment

On the Effective Date, all executory contracts and unexpired leases of each of the LP Debtors shall be deemed to be rejected by the applicable LP Debtor pursuant to the provisions of section 365 of the Bankruptcy Code, except: (i) any executory contract or unexpired lease that has previously has been assumed, assumed and assigned, or rejected pursuant to a Final Order of the Bankruptcy Court; (ii) any executory contract or unexpired lease that is designated specifically or by category as a contract or lease to be assumed or assumed and assigned on the Schedule of Assumed Executory Contracts and Unexpired Leases; (iii) any executory contract or unexpired lease that is the subject of a separate motion to assume and assign to a Person other than the Purchaser (or, if applicable, the Alternative Purchaser) or to reject under section 365 of the Bankruptcy Code pending on the Effective Date; and (iv) any executory contract or unexpired lease that is the subject of a pending Cure Dispute as of the Effective Date for which the applicable LP Debtor makes a motion to reject such contract or lease based upon the existence of such dispute filed at any time. Listing a contract or lease in the Schedule of Assumed Executory Contracts and Unexpired Leases shall not constitute an admission by the applicable LP Debtor that the applicable LP Debtor has any liability thereunder.

No later than the applicable deadline set forth in the Bid Procedures Order, the LP Debtors shall file with the Bankruptcy Court and serve upon the counterparties to the executory contracts and unexpired leases anticipated to be listed on the Schedule of Assumed Executory Contracts and Unexpired Leases, the Contract and Lease Counterparties Notice regarding the proposed assumption, or assumption and assignment and the proposed Cure Costs in connection therewith. The inclusion of any executory contract or unexpired lease on any version of the Contract and Lease Counterparties Notice or Schedule of Assumed Executory Contracts and Unexpired Leases at any time prior to the Effective Date does not ultimately establish that such contract or lease shall be assumed, or assumed and assigned, and the Contract and Lease Counterparties Notice and Scheduled of Assumed Executory Contracts and Unexpired Leases may be altered, amended, modified, or supplemented at any time prior to the Effective Date to remove any contract or lease therefrom in accordance with the Bankruptcy Code and applicable orders of the Bankruptcy Court.

At the Confirmation Hearing, only those executory contracts or unexpired leases (and the corresponding Cure Costs) listed on the Schedule of Assumed Executory Contracts and Unexpired Leases that have been selected to be assumed by the LP Debtors or assumed and

assigned to the Purchaser (or, if applicable, the Alternative Purchaser) at the Auction shall be the contracts and leases subject to approval by the Court.

To the extent that an executory contract or unexpired lease is a Designated Contract, any such Designated Contract will be assumed by the LP Debtors, as applicable, on the Effective Date and assigned by the LP Debtors to the Purchaser (or, if applicable, the Alternative Purchaser) at the Closing. Each executory contract or unexpired lease assumed pursuant to the Plan or by Bankruptcy Court order, but not assigned to a third party before the Effective Date, shall revest in and be fully enforceable by the applicable contracting LP Debtor in accordance with its terms, except as such terms may have been modified by the Plan or such order.

Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of the rejection of the executory contracts and unexpired leases as set forth in Section 10.1(a) of the Plan, subject to the occurrence of the Effective Date, pursuant to section 365(a) of the Bankruptcy Code, and a finding by the Bankruptcy Court that each such rejected agreement, executory contract or unexpired lease is burdensome and that the rejection thereof is in the best interests of the LP Debtors and their Estates.

Entry of the Confirmation Order shall, subject to the occurrence of the Effective Date, constitute the approval, pursuant to sections 365(a) and 1123(b) of the Bankruptcy Code, of: (i) subject to Section 10.3(e) of the Plan, the assumptions and assignments of executory contracts and unexpired leases set forth in the Schedule of Assumed Executory Contracts and Unexpired Leases; and (ii) the assumption and assignment of the Designated Contracts pursuant to Section 10.1(d) of the Plan.

Neither the exclusion nor inclusion of any contract or lease on the Schedule of Assumed Executory Contracts and Unexpired Leases or the Contract and Lease Counterparties Notice or anything else contained in the Plan shall constitute an admission that any such contract or lease is or is not, in fact, an executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code.

2. Claims Based on Rejection of Executory Contracts or Unexpired Leases

All Claims arising from the rejection of executory contracts or unexpired leases, if any, will be treated as LP General Unsecured Claims. Upon receipt by the holder of any such Claim of its applicable Plan Distribution pursuant to Section 5.4 of the Plan, such Claim shall be discharged on the Effective Date, and shall not be enforceable against the LP Debtors, the Purchaser (and, if applicable, the Alternative Purchaser, subject to Section 10.3(e) of the Plan) or their respective properties or interests in property (and shall not, for the avoidance of doubt, constitute Assumed Liabilities).

Each Person who is a party to a contract or lease rejected under the Plan must file with the Bankruptcy Court and serve on the LP Debtors, not later than thirty (30) days after the Confirmation Date (or, for any contract or lease that is not rejected as of the Confirmation Date but is rejected thereafter, 30 days after the effective date of such rejection), a Proof of Claim for damages alleged to arise from the rejection of the applicable contract or lease or be forever barred from filing a Claim, or sharing in distributions under the Plan, related to such alleged rejection damages.

3. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases

In accordance with Section 10.1(b) of the Plan, no later than the applicable deadline set forth in the Bid Procedures Order, the LP Debtors shall file with the Bankruptcy Court and serve upon the counterparties to the executory contracts and unexpired leases that are anticipated to be assumed or assigned, a Contract and Lease Counterparties Notice. The Contract and Leases Counterparties Notices will (i) list the applicable Cure Costs, if any, for each executory contract and unexpired lease listed therein, (ii) describe the procedures for filing objections to the proposed assumption, or assumption and assignment, or Cure Costs, and (iii) explain the process by which related disputes shall be resolved by the Bankruptcy Court. If the LP Debtors identify additional executory contracts and unexpired leases that might be assumed by the LP Debtors, the LP Debtors will promptly send a Contract and Lease Counterparties Notice to the counterparties to any such contracts or leases.

Except to the extent that less favorable treatment has been agreed to by the non-LP Debtor party or parties to each such executory contract or lease, monetary defaults arising under each executory contract and lease to be assumed, or assumed and assigned, pursuant to the Plan shall be cured, in accordance with section 365(b)(1) of the Bankruptcy Code, on or prior to the Closing of the LP Sale by (i) the payment of the undisputed Cure Costs and/or (ii) establishment of a reserve with respect to any disputed Cure Costs. The party responsible for paying the Cure Costs shall be set forth in the Asset Purchase Agreement.

Any party that fails to object to the applicable Cure Cost listed on the Contract and Lease Counterparties Notice or the Schedule of Assumed Executory Contracts and Unexpired Leases, or the assumption of the applicable executory contract or unexpired lease, by the deadlines set forth in the Bid Procedures Order, (i) shall be forever barred, estopped and enjoined from (x) disputing the Cure Cost relating to any executory contract or unexpired lease set forth on the Contract and Lease Counterparties Notices or Schedule of Assumed Executory Contracts and Unexpired Leases, and (y) asserting any Claim against the applicable LP Debtor arising under section 365(b)(1) of the Bankruptcy Code other than as set forth on the Contract and Lease; and (ii) subject to Section 10.3(e) of the Plan, shall be deemed to have consented to the assumption and assignment of such executory contract and unexpired lease and shall be forever barred and estopped from asserting or claiming against the LP Debtors, the Purchaser or any other assignee of the relevant executory contract or unexpired lease (including, if applicable, the Alternative Purchaser) that any additional amounts are due or defaults exist, or conditions to assumption and assignment of such executory contract or unexpired lease must be satisfied (pursuant to section 365(b)(1) of the Bankruptcy Code or otherwise). Any objection relating to the Cure Cost shall specify the Cure Cost proposed by the counterparty to the applicable contract or lease.

In the event of a dispute (each, a "Cure Dispute") regarding: (i) any Cure Cost; (ii) the ability of the LP Debtors or the Purchaser to demonstrate "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under any contract or lease to be assumed; or (iii) any other matter pertaining to the proposed assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made at the times set forth in Section 10.3(b) of the Plan following the entry of a Final Order resolving such Cure Dispute and approving the assumption. To the extent a Cure Dispute relates solely to a Cure Cost, the applicable LP Debtor may assume and assign the applicable contract or lease prior to the resolution of the Cure Dispute provided that a reserve is established containing Cash in an

amount sufficient to pay the full amount asserted as cure payment by the non-LP Debtor party to such contract or lease (or such smaller amount as may be fixed or estimated by the Bankruptcy Court). To the extent the Cure Dispute is resolved or determined unfavorably to the LP Debtors, the LP Debtors may, subject to the terms and conditions of the Asset Purchase Agreement, reject the applicable executory contract or unexpired lease after such determination. Any Cure Disputes not consensually resolved prior to the Confirmation Hearing shall be heard at the Confirmation Hearing (or such other hearing as requested by the LP Debtors and determined appropriate by the Bankruptcy Court), including any disputed Cure Costs or objections to assumption and assignment, and/or objections to the adequacy of assurance of future performance being provided.

Notwithstanding anything to the contrary in the Plan, in the event that there is an Alternative Sale under the Asset Purchase Agreement, (i) the assumption and assignment of any executory contract or unexpired lease to the Alternative Purchaser shall be subject to further approval by the Bankruptcy Court, which approval the LP Debtors may seek on no less than fourteen (14) calendar days' notice, and (ii) counterparties to any executory contract or unexpired lease proposed to be assumed and assigned to such Alternative Purchaser shall be entitled to object to such proposed assumption and assignment on the grounds that the LP Debtors or such Alternative Purchaser are unable to demonstrate "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code), but not on any other grounds.

4. Compensation and Benefit Programs

For the avoidance of doubt, all employment and severance policies, and all compensation and benefit plans, policies, and programs of the LP Debtors applicable to their respective employees, retirees and non-employee directors including, without limitation, all savings plans, retirement plans, healthcare plans, disability plans, severance benefit plans, incentive plans, and life, accidental death and dismemberment insurance plans are treated as executory contracts under the Plan and on the Effective Date will be rejected as set forth in Section 10.1 of the Plan unless any of the foregoing is an Acquired Asset and the counterparty thereto receives a Contract and Lease Counterparties Notice, in which case the same shall be assumed and assigned to the Purchaser (or, if applicable, the Alternative Purchaser) pursuant to the Asset Purchase Agreement and in accordance with sections 365 and 1123 of the Bankruptcy Code.

I. Conditions Precedent to Confirmation of the Plan and the Occurrence of the Effective Date

1. Conditions Precedent to Confirmation

The following are conditions precedent to confirmation of the Plan: (a) the Bankruptcy Court shall have entered the Disclosure Statement Order and the Bid Procedures Order, and the Canadian Court shall have entered the Disclosure Statement Recognition Order and the Bid Procedures Recognition Order; (b) the Auction shall have been completed; and (c) the Bankruptcy Court shall have entered the Confirmation Order, which shall, among other things, approve the LP Sale if not approved by a separate order of the Bankruptcy Court

2. Conditions Precedent to the Occurrence of the Effective Date

The following are conditions precedent to the occurrence of the Effective Date: (a) each of the Confirmation Order and the Confirmation Recognition Order shall have become a Final Order; (b) the Plan Documents shall have been executed and delivered, and any conditions (other than the occurrence of the Effective Date or certification by an LP Debtor that the Effective Date has occurred) contained therein shall have been satisfied or waived in accordance therewith; (c) the Funding and Closing each shall have occurred in accordance with the terms and conditions of the Asset Purchase Agreement; (d) the Allowed Prepetition LP Facility Claims shall have been satisfied as set forth in Section 5.3 of the Plan; and (e) the LP Debtors shall have been paid in full, in Cash, all undisputed Ad Hoc LP Secured Group Fee Claims.

3. Waiver of Conditions

The Plan Sponsors may waive, without further order of the Bankruptcy Court, any one or more of the conditions set forth in Article XI of the Plan. Further, the stay of the Confirmation Order, pursuant to Bankruptcy Rule 3020(e), shall be deemed waived by the Confirmation Order.

4. Effect of Non-Occurrence of the Funding Date

If all of the conditions precedent to the occurrence of the Funding Date have not been satisfied or duly waived (as provided in Section 11.3 of the Plan) on or before the first Business Day that is more than sixty (60) days after the Confirmation Date, or by such later date as set forth by the Plan Sponsors in a notice filed with the Bankruptcy Court prior to the expiration of such period, then the Plan Sponsors may file a motion to vacate the Confirmation Order before all of the conditions have been satisfied or duly waived. It is further provided that notwithstanding the filing of such a motion, the Confirmation Order shall not be vacated if all of the conditions precedent to the Funding Date set forth in the Asset Purchase Agreement are either satisfied or duly waived before the Bankruptcy Court enters an order granting the relief requested in such motion. If the Confirmation Order is vacated pursuant to Section 11.4 of the Plan, the Plan shall be null and void in all respects, the Confirmation Order shall be of no further force or effect, no distributions under the Plan shall be made, the LP Debtors and all holders of Claims and Equity Interests in the LP Debtors shall be restored to the status quo ante as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred, and upon such occurrence, nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims against or Equity Interests in the LP Debtors; (b) prejudice in any manner the rights of the holder of any Claim against or Equity Interest in the LP Debtors; or (c) constitute an admission, acknowledgment, offer or undertaking by any LP Debtor or any other Person with respect to any matter set forth in the Plan.

J. Retention of Jurisdiction

Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, the Bankruptcy Court shall retain and shall have exclusive jurisdiction, pursuant to 28 U.S.C. §§ 1334 and 157, over any matter, other than Avoidance Actions (excluding any Avoidance Actions that are Acquired Assets under the Asset Purchase Agreement) over which the Bankruptcy Court shall have

concurrent jurisdiction, (a) arising under the Bankruptcy Code, (b) arising in or related to the Chapter 11 Cases of the LP Debtors, or the Plan, or (c) that relates to the following:

(i) To determine any and all adversary proceedings, applications, motions, and contested or litigated matters that may be pending on the Effective Date or that, pursuant to the Plan, may be instituted by the LP Debtors after the Effective Date;

(ii) To hear and determine any objections to the allowance of Claims, whether filed, asserted, or made before or after the Effective Date, including, without express or implied limitation, to hear and determine any objections to the classification of any Claim and to allow, disallow or estimate any Disputed Claim in whole or in part;

(iii) To ensure that distributions to holders of Allowed Claims or Allowed Equity Interests are accomplished as provided in the Plan;

(iv) To consider Claims or the allowance, classification, priority, compromise, estimation, or payment of any Claim, including any Administrative Claim;

(v) To consider Equity Interests or the allowance, compromise or distributions on account of any Equity Interest;

(vi) To enter, implement, or enforce such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified or vacated;

(vii) To issue such orders in aid of execution of the Plan to the extent authorized or contemplated by section 1142 of the Bankruptcy Code;

(viii) To consider any modifications of the Plan, remedy any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(ix) To hear and determine all Fee Applications;

(x) To resolve disputes concerning any reserves with respect to Disputed Claims or the administration thereof;

(xi) To hear and determine all controversies, suits and disputes that may relate to, impact upon, or arise in connection with the LP Sale or its interpretation, implementation, enforcement or consummation (subject to the terms thereof);

(xii) To recover all Assets of the LP Debtors and property of the Estates, wherever located (other than any Acquired Assets, after the occurrence of the Closing of the LP Sale);

(xiii) To hear and determine all controversies, suits and disputes that may relate to, impact upon or arise in connection with the Plan, the Plan Documents or the interpretation, implementation, enforcement or consummation thereof;

(xiv) To hear and determine all controversies, suits and disputes that may relate to, impact upon, or arise in connection with the Confirmation Order (and all exhibits to the Plan) or the interpretation, implementation, enforcement or consummation thereof;

(xv) To the extent that Bankruptcy Court approval is required and to the extent not released pursuant to the Plan, to consider and act on the compromise and settlement of any Claim by, on behalf of, or against the LP Debtors or their Estates;

(xvi) To hear and determine such other matters that may be set forth in the Plan, or the Confirmation Order, or that may arise in connection with the Plan or the Confirmation Order;

(xvii) To hear and determine matters concerning state, local and federal taxes, fines, penalties or additions to taxes for which the LP Debtors may be liable, directly or indirectly;

(xviii) To hear and determine all controversies, suits and disputes that may relate to, impact upon, or arise in connection with any setoff and/or recoupment rights of the LP Debtors or any Person under the Plan;

(xix) To hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with Causes of Action of the LP Debtors (including Avoidance Actions) commenced by the LP Debtors or any third parties, as applicable, before or after the Effective Date, except to the extent such Causes of Action are compromised, settled and released under the Plan or constitute Acquired Assets under the Asset Purchase Agreement;

(xx) To hear and determine all controversies, suits, or disputes that may arise in relation to the rights and obligations of the Disbursing Agent;

(xxi) To enter an order or final decree closing the Chapter 11 Case of any LP Debtor;

(xxii) In the event of an Alternative Sale, to determine whether the assignment of any Designated Contract to the Alternative Purchaser satisfies the requirement of section 365 of the Bankruptcy Code of "adequate assurance of future performance" and provide such other authorizations and approvals as may be reasonably necessary to consummate an Alternative Sale;

(xxiii) To issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Person with consummation, implementation or enforcement of the Plan or the Confirmation Order; and

(xxiv) To hear and determine any other matters related thereto and not inconsistent with chapter 11 of the Bankruptcy Code.

K. Miscellaneous Provisions

1. Releases

For good and valuable consideration, the adequacy of which is confirmed in the Plan, and except as otherwise provided in the Plan or the Confirmation Order, as of the Effective Date, the LP Debtors, in their individual capacities and as debtors in possession shall be deemed to forever release, waive and discharge all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action and liabilities (other than the rights of the LP Debtors to enforce the Plan, the contracts, instruments, releases, indentures and other agreements or documents delivered thereunder and the Asset Purchase Agreement) against the Released Parties, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the LP Debtors, the parties released pursuant to Section 13.1 of the Plan, the Chapter 11 Cases, the Plan or the Disclosure Statement, and that could have been asserted by or on behalf of the LP Debtors or their Estates, whether directly, indirectly, derivatively or in any representative or any other capacity.

Except as otherwise provided in the Plan or the Confirmation Order, on the Effective Date: (i) each of the Released Parties; (ii) each holder of a Claim or Equity Interest voting to accept the Plan or conclusively presumed to accept the Plan; (iii) each holder of a Claim or Equity Interest abstaining from voting to accept the Plan, unless such abstaining holder checks the box on the applicable Ballot indicating that such holder opts not to grant the releases provided in Section 13.1 of the Plan; and (iv) to the fullest extent permissible under applicable law, as such law may be extended or interpreted subsequent to the Effective Date, all holders of Claims and Equity Interests, in consideration for the obligations of the LP Debtors under the Plan and the other contracts, instruments, releases, agreements or documents executed and delivered in connection with the Plan, and each Person (other than the LP Debtors) that has held, holds or may hold a Claim or Equity Interest, as applicable, will be deemed to have consented to the Plan for all purposes and the restructuring embodied in the Plan and deemed to forever release, waive and discharge all claims, demands, debts, rights, Causes of Action or liabilities (other than the right to enforce the obligations of any party under the Plan and the contracts, instruments, releases, agreements and documents delivered under or in connection with the Plan, including, without limitation, the Asset Purchase Agreement) against the Released Parties, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act or omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the LP Debtors, the LP Debtors' Chapter 11 Cases, the LP Sale, the transactions contemplated by the Asset Purchase Agreement, the Plan or the Disclosure Statement.

Notwithstanding anything to the contrary contained in the Plan: (i) except to the extent permissible under applicable law, as such law may be extended or interpreted subsequent to the Effective Date, the releases provided for in Section 13.1 of the Plan shall

not release any LP Debtor from any liability arising under (x) the Internal Revenue Code or any state, city or municipal tax code, or (y) any criminal laws of the United States or any state, city or municipality; and (ii) the releases set forth in Section 13.1 of the Plan shall not release any (x) LP Debtor's claims, rights, or Causes of Action for money borrowed from or owed to an LP Debtor or its subsidiary by any of its directors, officers or former employees, as set forth in such LP Debtor's or subsidiary's books and records, (y) any claims against any Person to the extent such Person asserts a crossclaim, counterclaim and/or claim for setoff which seeks affirmative relief against an LP Debtor or any of its officers, directors, or representatives, and (z) claims against any Person arising from or relating to such Person's fraud, gross negligence or willful misconduct, each as determined by a Final Order of the Bankruptcy Court.

Notwithstanding anything to the contrary contained in the Plan, nothing therein: (i) discharges, releases, or precludes any (x) environmental liability that is not a Claim; (y) environmental claim of the United States that first arises on or after the Confirmation Date, or (z) other environmental claim or environmental liability that is not otherwise dischargeable under the Bankruptcy Code; (ii) releases the LP Debtors from any environmental liability that an LP Debtor may have as an owner or operator of real property owned or operated by an LP Debtor on or after the Confirmation Date; (iii) releases or precludes any environmental liability to the United States on the part of any Persons other than the LP Debtors; or (iv) enjoins the United States from asserting or enforcing any liability described in this paragraph.

2. Exculpation and Limitation of Liability

None of the Released Parties shall have or incur any liability to any holder of any Claim or Equity Interest or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or agents acting in such capacity, or affiliates, or any of their successors or assigns, for any act or omission in connection with, or arising out of, the LP Debtors' Chapter 11 Cases, the Asset Purchase Agreement, the Disclosure Statement, the solicitation of votes for and the pursuit of confirmation of the Plan, the consummation of the Plan, or the implementation or administration of the Plan, the transactions contemplated by the Plan, or the property to be distributed under the Plan, including, without limitation, all documents ancillary thereto, all decisions, actions, inactions and alleged negligence or misconduct relating thereto, and all prepetition activities leading to the promulgation and confirmation of the Plan, except for fraud, willful misconduct or gross negligence as finally determined by a Final Order of the Bankruptcy Court, and, in all respects, the Released Parties shall be entitled to rely upon the advice of counsel and all information provided by other exculpated Persons herein without any duty to investigate the veracity or accuracy of such information with respect to their duties and responsibilities under the Plan.

3. Injunctions

(a) **Except as otherwise provided in the Plan or the Confirmation Order, as of the Confirmation Date, but subject to the occurrence of the Effective Date, all Persons who have held, hold or may hold Claims against or Equity Interests in the LP Debtors or their Estates shall be, with respect to any such Claims or Equity Interests, permanently enjoined**

after the Confirmation Date from: (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the LP Debtors, their Estates or any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons or any property of any such transferee or successor; (ii) enforcing, levying, attaching (including, without limitation, any pre-judgment attachment), collecting or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree or order against the LP Debtors, or their Estates or any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons, or any property of any such transferee or successor; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the LP Debtors, or their Estates or any of their property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons; (iv) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan to the full extent permitted by applicable law; and (v) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan; provided, however, that nothing contained in the Plan shall preclude such Persons from exercising their rights, or obtaining benefits, pursuant to and consistent with the terms of the Plan; and provided, further, that nothing contained in the Plan shall preclude the Purchaser from exercising any rights and remedies under the Asset Purchase Agreement.

(b) **By accepting distributions pursuant to the Plan, each holder of an Allowed Claim or Equity Interest will be deemed to have specifically consented to the injunctions set forth in Section 13.3 of the Plan.**

(c) **The Confirmation Order shall permanently enjoin the commencement or prosecution by any Person, whether directly, derivatively or otherwise, of any claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action or liabilities released pursuant to the Plan, including but not limited to the Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action or liabilities released in Sections 13.1 and 13.2 of the Plan. Such injunction shall extend to successors of the LP Debtors and their respective properties and interests in property.**

4. Substantial Consummation

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

5. Satisfaction of Claims

The rights afforded in the Plan and the treatment of all Claims and Equity Interests therein shall be in exchange for and in complete satisfaction, discharge and release of all Claims against and Equity Interests in, of any nature whatsoever, the LP Debtors and their Estates, Assets, properties and interests in property. Except as otherwise provided in the Plan, on the

Effective Date, all Claims and Equity Interests shall be satisfied, discharged and released in full. Neither the Disbursing Agent nor the Purchaser shall be responsible for any pre-Effective Date obligations of the LP Debtors, except those expressly assumed by the Purchaser (if any) or as otherwise provided in the Plan or the Asset Purchase Agreement. Except as otherwise provided in the Plan, all Persons shall be precluded and forever barred from asserting against the Disbursing Agent or Purchaser, or their successors or assigns, Assets, properties, or interests in property, any event, occurrence, condition, thing, or other or further Claims or Causes of Action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date in connection with the LP Debtors, whether or not the facts of or legal bases therefor were known or existed on or prior to the Effective Date.

6. Special Provisions Regarding Insured Claims

The Plan Distributions to each holder of an Allowed Insured Claim against the LP Debtors shall be made in accordance with the treatment provided under the Plan for the Class in which such Allowed Insured Claim is classified; except, that there shall be deducted from any Plan Distribution on account of an Insured Claim, for purposes of calculating the allowed amount of such Claim, the amount of any insurance proceeds actually received by such holder in respect of such Allowed Insured Claim. Nothing in Section 13.6 of the Plan shall (i) constitute a waiver of any Claim, right, or Cause of Action that the LP Debtors or their Estates may hold against any Person, including any insurer, or (ii) provide for the allowance of any Insured Claim. Pursuant to section 524(e) of the Bankruptcy Code, nothing in the Plan shall release or discharge any insurer from any obligations to any Person under applicable law or any policy of insurance under which any of the LP Debtors is an insured or a beneficiary.

7. Third Party Agreements; Subordination

Except as otherwise provided in the Plan, the Plan Distributions to the various Classes of Claims and Equity Interests shall not affect the right of any Person to levy, garnish, attach, or employ any other legal process with respect to such Plan Distributions by reason of any claimed subordination rights or otherwise. All such rights and any agreements relating thereto shall remain in full force and effect. The right of the LP Debtors to seek subordination of any Claim or Equity Interest pursuant to section 510 of the Bankruptcy Code is fully reserved, and the treatment afforded any Claim or Equity Interest that becomes a subordinated Claim or Equity Interest at any time shall be modified to reflect such subordination.

8. Status Reports

Following entry of the Confirmation Order, the LP Debtors shall file post-confirmation quarterly status reports with the Bankruptcy Court in accordance with Rule 3021-1 of the Local Bankruptcy Rules for the Southern District of New York and shall meet all Post-Confirmation Operating Report requirements of the U.S. Trustee's Operating Guidelines and Reporting Requirements (unless the Bankruptcy Court orders otherwise).

9. Notices

In order to be effective, all notices, requests, and demands to or upon the LP Debtors, the Special Committee or the Plan Sponsors (or the Ad Hoc LP Secured Group) under the Plan shall

be in writing (including by facsimile transmission) and, unless otherwise provided in the Plan, shall be deemed to have been duly given or made only when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the LP Debtors (or the Special Committee):

LightSquared LP
Attention: Marc Montagner
450 Park Avenue, Suite 2201
New York, NY 10022
Telephone: (877) 678-2920
E-mail: Marc.Montagner@lightsquared.com

with copies to:

Milbank, Tweed, Hadley & McCloy LLP
Attention: Matthew S. Barr
One Chase Manhattan Plaza
New York, NY 10005-1413
Telephone: (212) 530-5000
Facsimile: (212) 822-5194
E-mail: mbarr@milbank.com

Special Committee
c/o Kirkland & Ellis LLP
Attention: Paul M. Basta
Joshua A. Sussberg
601 Lexington Avenue
New York, NY 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900
E-mail: paul.basta@kirkland.com
joshua.sussberg@kirkland.com

10. Headings

The headings used in the Plan are inserted for convenience only, and neither constitute a portion of the Plan nor in any manner affect the construction of the provisions of the Plan.

11. Governing Law

Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent a Plan Document or exhibit or schedule to the Plan provides otherwise, the rights, duties, and obligations arising under the Plan and the Plan Documents shall be governed by, and construed and enforced in accordance with, the laws of the state of New York, without giving effect to the principles of conflict of laws thereof.

12. Section 1125(e) of the Bankruptcy Code

The Plan Sponsors have, and upon confirmation of the Plan shall be deemed to have, solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, and therefore are not and will 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.

13. Inconsistency

In the event of any inconsistency among the Plan, the Disclosure Statement, the Plan Documents, any exhibit to the Plan, or any other instrument or document created or executed pursuant to the Plan, the provisions of the Plan shall govern; provided, that, notwithstanding the foregoing, in the event of any inconsistency among the Asset Purchase Agreement and any other document (including the Plan), the Asset Purchase Agreement shall govern.

14. Avoidance and Recovery Actions

Effective as of the Effective Date, the LP Debtors shall retain under the Plan the right to prosecute any avoidance or recovery actions under sections 544, 547, 548, 549 and 550 of the Bankruptcy Code except for any such actions that are Acquired Assets.

15. Expedited Determination

The LP Debtors are authorized under the Plan to file a request for expedited determination under section 505(b) of the Bankruptcy Code for all tax returns filed with respect to the LP Debtors.

16. Exemption from Transfer Taxes

To the fullest extent permitted by applicable law, all sale transactions consummated by the LP Debtors and approved by the Bankruptcy Court on and after the Confirmation Date through and including the Effective Date, including any transfers effectuated under the Plan, the sale by the LP Debtors of any owned property pursuant to section 1123(b)(4) of the Bankruptcy Code, and any assumption, assignment, and/or sale by the LP Debtors of their interests in unexpired leases of non-residential real property or executory contracts pursuant to section 365(a) of the Bankruptcy Code, shall constitute a "transfer under a plan" within the purview of section 1146 of the Bankruptcy Code, and shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax.

17. Notice of Entry of Confirmation Order and Relevant Dates

Promptly upon entry of the Confirmation Order, the LP Debtors shall publish as directed by the Bankruptcy Court and serve on all known parties in interest and holders of Claims and Equity Interests, notice of the entry of the Confirmation Order and all relevant deadlines and dates under the Plan, including, but not limited to, the deadline for filing notice of Administrative Claims, and the deadline for filing rejection damage Claims.

18. Termination of Professionals

On the Effective Date, the engagement of each Professional Person retained by the LP Debtors, if any, shall be terminated without further order of the Bankruptcy Court or act of the parties; provided, however, such Professional Persons shall be entitled to prosecute their respective Fee Claims and represent their respective constituents with respect to applications for payment of such Fee Claims and the LP Debtors shall be responsible for the fees, costs, and expenses associated with the prosecution of such Fee Claims. Nothing in the Plan shall preclude any LP Debtor from engaging a Professional Person on or after the Effective Date in the same capacity as such Professional Person was engaged prior to the Effective Date.

19. Interest and Attorneys' Fees

Interest accrued after the applicable Petition Date will accrue and be paid on Claims only to the extent specifically provided for in the Plan, the Plan Documents, the Confirmation Order, or as otherwise required by the Bankruptcy Court or by applicable law. No award or reimbursement of attorneys' fees or related expenses or disbursements shall be allowed on, or in connection with, any Claim, except as set forth in the Plan or as ordered by the Bankruptcy Court.

20. Amendments

a. *Plan Modifications*

The Plan may be amended, modified, or supplemented by the Plan Sponsors, in the manner provided for by section 1127 of the Bankruptcy Code or as otherwise permitted by law, without additional disclosure pursuant to section 1125 of the Bankruptcy Code, except as otherwise ordered by the Bankruptcy Court. In addition, after the Confirmation Date, so long as such action does not materially and adversely affect the treatment of holders of Allowed Claims and Allowed Equity Interests pursuant to the Plan, the Plan Sponsors, may remedy any defect or omission or reconcile any inconsistencies in the Plan, the Plan Documents and/or the Confirmation Order, with respect to such matters as may be necessary to carry out the purposes and intended effects of the Plan, and any holder of a Claim or Equity Interest that has accepted the Plan shall be deemed to have accepted the Plan as amended, modified, or supplemented.

b. *Other Amendments*

Prior to the Effective Date, the Plan Sponsors may make appropriate technical adjustments and modifications to the Plan without further order or approval of the Bankruptcy Court; provided, however, that, such technical adjustments and modifications do not adversely affect in a material way the treatment of holders of Claims or Equity Interests under the Plan.

21. Revocation or Withdrawal of the Plan

The Plan Sponsors reserve the right to revoke or withdraw the Plan prior to the Effective Date. If the Plan Sponsors revoke or withdraw the Plan prior to the Effective Date as to any or all of the LP Debtors, or if confirmation or consummation as to any or all of the LP Debtors does not occur, then, with respect to such LP Debtors: (a) the Plan shall be null and void in all

respects; (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain any Claim or Equity Interest or Class of Claims or Equity Interests), assumption, assumption or assignment, or rejection of executory contracts or leases affected by the Plan, and any document or agreement executed pursuant to the Plan shall be deemed null and void; and (c) nothing contained in the Plan shall (i) constitute a waiver or release of any Claims by or against, or any Equity Interests in, such LP Debtors or any other Person, (ii) prejudice in any manner the rights of such LP Debtors or any other Person, or (iii) constitute an admission of any sort by the LP Debtors or any other Person.

22. No Successor Liability

Except as otherwise expressly provided in the Plan or the Asset Purchase Agreement, neither the Purchaser nor any Alternative Purchaser, pursuant to the Plan or otherwise, assumes, agrees to perform, pay or indemnify or otherwise has any responsibilities for any liabilities or obligations of the LP Debtors or any other party relating to or arising out of the operations of or Assets of the LP Debtors, whether arising prior to, on, or after the Effective Date. Neither the Purchaser nor any Alternative Purchaser is, and shall not be a successor to any of the LP Debtors by reason of any theory of law or equity, and neither shall have any successor or transferee liability of any kind or character, except that the Purchaser (or, if applicable, the Alternative Purchaser) shall assume the Assumed Liabilities under the terms and subject to the conditions set forth in the Asset Purchase Agreement.

23. Allocation of Plan Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a distribution under the Plan consists of indebtedness and other amounts (such as accrued but unpaid interest thereon), any distribution on account of such Claim shall be allocated first to the principal amount of the Claim (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claim, to such other amounts.

24. Compliance with Tax Requirements

In connection with the Plan, the Disbursing Agent shall comply with all withholding and reporting requirements imposed by federal, state, local, and foreign taxing authorities and all Plan Distributions shall be subject to such withholding and reporting requirements. Notwithstanding the foregoing, each holder of an Allowed Claim that is to receive a Plan Distribution shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any government unit, including income, withholding, and other tax obligations, on account of such Plan Distribution. The Disbursing Agent shall have the right, but not the obligation, to not make a Plan Distribution until such holder has made arrangements satisfactory to the Disbursing Agent for payment of any such tax obligations.

25. Rates

The Plan does not provide for the change of any rate that is within the jurisdiction of any governmental regulatory commission after the occurrence of the Effective Date. Where a Claim has been denominated in foreign currency on a Proof of Claim, the allowed amount of such

Claim shall be calculated in legal tender of the United States based upon the conversion rate in place as of the Petition Date and in accordance with section 502(b) of the Bankruptcy Code.

26. Binding Effect

Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code and subject to the occurrence of the Effective Date, on and after the Confirmation Date, the provisions of the Plan shall be binding upon the LP Debtors and each holder of any Claim or Equity Interest and inure to the benefit of and be binding on such holder's respective successors and assigns, whether or not the Claim or Equity Interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan.

27. Successors and Assigns

The rights, benefits and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such Person.

28. Time

In computing any period of time prescribed or allowed by the Plan, unless otherwise set forth therein or determined by the Bankruptcy Court, the provisions of Bankruptcy Rule 9006 shall apply.

29. Severability

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

30. Federal Communications Commission Approvals

Notwithstanding any other provision of the Plan, nothing in the Plan shall be construed to authorize or require any action, and no party shall take any action, that would result in the assignment or transfer of control of any rights or interests of the LP Debtors in any federal license or authorization issued by the FCC prior to the issuance of FCC regulatory approval for such assignment pursuant to the Communications Act of 1934, as amended, and the rules and regulations promulgated thereunder.

31. Reservation of Rights

Except as expressly set forth therein, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. None of the filing of the Plan, any statement or provision contained therein, or the taking of any action by the Plan Sponsors or the Stalking Horse Bidder with respect to the Plan shall be or shall be deemed to be, an admission or waiver of any rights of the Plan Sponsors or the Stalking Horse Bidder with respect to any Claims or Equity Interests prior to the Effective Date.

VIII.

RISK FACTORS

The holders of Claims against and Equity Interests in the LP Debtors should read and carefully consider the following factors, as well as the other information set forth in this Disclosure Statement, before deciding whether to vote to accept or reject the Plan.

A. General Considerations

The formulation of a plan is a principal purpose of a chapter 11 case. The Plan sets forth the means for satisfying the Claims against and Equity Interests in the LP Debtors. Satisfying Claims against and Equity Interests in the LP Debtors in the manner set forth under the Plan avoids the potentially adverse impact of a protracted and costly reorganization of the LP Debtors.

B. Certain Bankruptcy Considerations

1. Parties in Interest May Object to the Plan's Classification of Claims and Equity Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests in such class. The Plan Sponsors believe that the classification of Claims against and Equity Interests in the LP Debtors under the Plan complies with the requirements set forth in the Bankruptcy Code because the Plan Sponsors created Classes of Claims and Equity Interests, each encompassing Claims or Equity Interests, as applicable, that are substantially similar to the other Claims and Equity Interests in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

2. Failure to Satisfy Vote Requirements

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Plan Sponsors intend to seek, as promptly as practicable thereafter, confirmation of the Plan. In the event that sufficient votes are not received, the Plan Sponsors may seek to confirm an alternative chapter 11 plan. There can be no assurance that the terms of any such alternative chapter 11 plan would be similar or as favorable to the holders of Allowed Claims or Allowed Equity Interests as those proposed in the Plan.

3. The Plan Sponsors May Not Be Able Secure Confirmation or Consummation of the Plan

The Plan requires the acceptance of a requisite number of holders of Claims or Equity Interests that are entitled to vote on the Plan, and the approval of the Bankruptcy Court, as described in the section of this Disclosure Statement entitled "Confirmation and Consummation Procedures – Overview." There can be no assurance that such acceptances and approvals will be obtained and therefore, that the Plan will be confirmed.

In addition, confirmation of the Plan and the occurrence of the Effective Date of the Plan are subject to the satisfaction of certain conditions precedent, which are further described in the sections of this Disclosure Statement entitled "The Chapter 11 Plan – Conditions Precedent to Confirmation of the Plan and the Occurrence of the Effective Date" and "The Chapter 11 Plan – Conditions Precedent to the Occurrence of the Effective Date." Although the Plan Sponsors believe that the conditions precedent to the confirmation of the Plan and to the occurrence of the Effective Date of the Plan will be met, there can be no assurance that all such conditions precedent will be satisfied. If any condition precedent is not satisfied or waived pursuant to the Plan, the Plan may not be confirmed or the Effective Date may not occur.

Furthermore, although the Plan Sponsors believe that the Plan will be confirmed and the Effective Date will occur reasonably soon after the Confirmation Date, there can be no assurance as to the timing or as to whether the Effective Date will occur. If the Plan is not confirmed or the Effective Date does not occur, there can be no assurance that any alternative chapter 11 plan would be on terms as favorable to the holders of Claims and Equity Interests as the terms of the Plan. In addition, if a protracted reorganization or liquidation were to occur, there is a substantial risk that holders of Claims and Equity Interests would receive less than they would receive under the Plan. A liquidation analysis prepared by the Debtors with the assistance of their advisors is attached hereto as Exhibit "D" (the "Liquidation Analysis").[20]

The Plan contemplates consummation of the LP Sale. Although the Bankruptcy Court has already entered the Bid Procedures Order and thereby approved the Bid Procedures, consummation of the LP Sale, and funding of the Purchase Price in connection therewith, may be subject to the prior approval of one or more governmental entities, including the FCC and Industry Canada. The consummation of the LP Sale and Plan may also require filings with respect to and consent, approvals or expiration or termination of any waiting period, required under any United States or foreign antitrust or investment laws which may include the Competition Act (Canada), the Investment Canada Act (Canada), the Hart-Scott-Rodino Antitrust Improvement Act of 1976. Such approvals may be denied, conditioned or delayed and therefore may not be received when required to facilitate the LP Sale and the Plan. The Plan also requires that the Confirmation Order, the Plan, the Plan Documents, and the LP Sale Documents be in form and substance reasonably acceptable to the Plan Sponsors. If the Plan is not confirmed and does not go effective for any reason and an LP Debtor, Inc. Entity or some other

[20] The Plan Sponsors take no position as to the accuracy of any of the assumptions, calculations, estimates, statements or anything else included within the Liquidation Analysis.

party in interest decides to prosecute a different plan of reorganization, recoveries to holders of Claims against or Equity Interests in the LP Debtors may be negatively impacted.

If the Plan is confirmed but the Effective Date does not occur, it may become necessary to amend the Plan to provide for alternative treatment of Claims and Equity Interests. There can be no assurance that any such alternative treatment would be on terms as favorable to the holders of Claims and Equity Interests as the treatment provided under the Plan. If any modifications to the Plan are materially adverse to any holders of Claims or Equity Interests, it would be necessary to resolicit votes from holders of such Claims or Equity Interests, which would, at the very least, further delay confirmation and consummation of the Plan, and could jeopardize the consummation of the Plan.

In addition, the Debtors' authorization to use the LP Lenders' Cash Collateral currently expires December 31, 2013. If the Plan is confirmed and the Funding Date does not occur prior to December 31, 2013, then the LP Debtors will need to obtain (i) further consent by the LP Lenders or authorization by the Bankruptcy Court to use Cash Collateral or (ii) an alternative source of financing.

4. Actual Plan Distributions May Be Less than Estimated by the Plan Sponsors for the Purposes of this Disclosure Statement.

The projected distributions and recoveries set forth in this Disclosure Statement are based on the Purchase Price in the Stalking Horse Agreement of $2.22 billion in Cash plus consideration of the liabilities anticipated to be assumed by the Stalking Horse Bidder plus the Plan Sponsors' estimates of Allowed Claims and Allowed Equity Interests based on public information and information provided to them on a non-confidential basis. The Plan Sponsors project that the Claims and Equity Interests asserted against the LP Debtors will be resolved in and reduced to an amount that approximates the estimates set forth herein. However, there can be no assurance that these estimates will prove accurate. In the event the allowed amounts of such Claims and/or Equity Interests are materially higher than the projected estimates, actual distributions to holders of Allowed Claims and Allowed Equity Interests could be materially less than estimated herein.

5. Nonconsensual Confirmation

In the event that any impaired class of claims or interests does not accept a chapter 11 plan, a bankruptcy court may nevertheless confirm a plan at the proponents' request if at least one impaired class has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each impaired class that has not accepted the plan, the bankruptcy court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting classes. The Plan Sponsors believe that the Plan satisfies these requirements and, in the event any impaired Class of Claims or Equity Interests does not vote to accept the Plan, the Plan Sponsors may request such nonconsensual confirmation in accordance with section 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Bankruptcy Court will reach this conclusion. In addition, the pursuit of nonconsensual confirmation of the Plan may result in, among other things, increased administrative expenses as a result of litigation.

6. Parties in Interest May Object to the Amount or Classification of a Claim or Equity Interest

Except as specifically provided in the Plan, the Plan Sponsors reserve the right to object to the amount or classification of any Claim or Equity Interest. Other parties in interest, including LP Debtors, may also object to the amount or classification of any Claim or Equity Interest. The estimates set forth in this Disclosure Statement cannot be relied upon by any holder of a Claim or Equity Interest where such Claim or Equity Interest is or may be subject to an objection. Any holder of a Claim or Equity Interest that is or may be subject to an objection, thus, may not receive its expected share of the estimated distributions described in this Disclosure Statement.

C. Certain Tax Considerations

There are a number of material income tax considerations, risks and uncertainties associated with consummation of the Plan. Holders of Claims and Equity Interests, and other interested parties, should read carefully the discussion set forth in the article of this Disclosure Statement entitled "Certain U.S. Federal Income Tax Consequences" for a discussion of certain U.S. federal income tax consequences of the transactions contemplated under the Plan.

D. Risks Related to the LP Sale

There can be no assurance that the LP Sale will be timely consummated. The Successful Bidder could breach or fail to perform under the Asset Purchase Agreement or conditions to consummation of the Asset Purchase Agreement could fail to be satisfied. In that event, there is no guarantee that another Person will express interest in either (i) acquiring the Acquired Assets or (ii) acquiring the Acquired Assets in an amount equal to or greater than the proposed Purchase Price. Additionally, there can be no assurance that the auction of the LP Debtors' Acquired Assets will result in a bid that is higher or otherwise better than the Stalking Horse Bid. If LBAC is the Successful Bidder, the order approving such of sale shall be in a form acceptable to LBAC and the Plan Sponsors, including a finding that LBAC is a good faith purchaser. The Harbinger Adversary Proceeding, including allegations related to LBAC's bid, if not resolved, are anticipated to be litigated in connection with confirmation of a plan.

E. Risks Related to Business Operations

1. The Company Has No Significant Operations, Revenues, or Operating Cash Flow

The Company has no significant operations or revenues and does not generate significant cash from operations. Moreover, the Company expects to continue to incur significant net losses for the foreseeable future. The Company continues to incur expenses. It is unclear when, or if, the Company will be able to generate sufficient cash from operations to cover its expenses and fund capital expenditures.

2. There Are Risks Associated with Operating Satellites

The Company operates the MSAT 1, MSAT 2, and SkyTerra-1 satellites, exposing the Company to risks inherent in operating satellites. During and after their launch, all satellites are subject to the risk of equipment failures, malfunctions, and other problems. If one of the Company's satellites were to fail prematurely, it could affect the quality of the satellite service and back-up capacity, interrupt the continuation of the Company's satellite service, or result in the loss of the Company's licenses, any of which could materially adversely impact the Company's business, prospects, financial condition, and results of operations.

The Company has obtained in-orbit insurance coverage for SkyTerra-1 and intends to maintain such in-orbit coverage in the future and to obtain such coverage for SkyTerra-2 once launched. It has obtained insurance containing customary satellite insurance exclusions and/or deductibles. The Company is not insuring against business interruption, lost revenues, or delay of revenues in the event of a total or partial loss of the communications capacity or life of its satellites. Additionally, the Company no longer insures the two MSAT satellites, as they have reached the end of their contractual life or have been the subject of insurance settlements in the past. The total amount of insurance the Company may receive through the policy may not cover the cost to launch or insure a replacement satellite. Accordingly, the Company is not fully insured for all of the potential losses that may be incurred in the event of a satellite system failure.

3. Major Network Failures Could Have an Adverse Effect on the Company

Equipment failures, power outages, natural disasters, terrorist acts, accidents, computer viruses or cyber-attacks, criminal conduct, employee error, or other events within or outside the Company's control that damage its networks, transport facilities, communications switches, routers, microwave links, cell sites, satellites, satellite-related ground equipment, other equipment, or third-party networks on which the Company relies could cause major network failures and/or unusually high network traffic demands that could have a material adverse effect on the Debtors' operations or its ability to provide service to its customers and their consumer end users. These events could disrupt the Company's operations, require significant resources to resolve, or result in legal costs or liability, which, in turn, could have a material adverse effect on the Company's business, prospects, financial condition, and results of operations. In addition, with the growth of wireless data services, enterprise data interfaces, and Internet-based or IP-enabled applications, the Company's network and customer devices are exposed to a greater degree to third-party data or applications over which the Company has less direct control. As a result, the Company's network infrastructure and information systems, as well as its customers' wireless devices, may be subject to a wider array of potential security risks, including viruses and other types of computer-based attacks, which could cause lapses in the Company's service or adversely affect the ability of consumer end users to access the Company's service. Such lapses could have a material adverse effect on the Company's business, prospects, financial condition, and results of operations.

4. The Company May Not Be Able to Protect Proprietary Information and Intellectual Property Rights upon Which the Company's Operations Depend

The Company's operations depend, in part, on its ability to develop or acquire technical know-how and remain current on new technological developments. As a result, the Company's

ability to compete effectively will depend, in part, on its ability to protect proprietary technologies and system designs. The Company has filed certain patent applications in the United States and abroad, and the Company owns U.S. and foreign patents that are believed to cover aspects of its technology. There can be no assurance that the patents for which the Company has applied will be issued or, if issued, will be sufficient to prevent competitors from deploying and operating their own 4G LTE terrestrial wireless networks using similar technology. Such technology may be superior to that of the Company, and competitors may be able to develop and deploy such technology without infringing on the Company's intellectual property rights. In addition, the Company's patents could be challenged, and their claims invalidated or their scope narrowed, particularly if the Company were to attempt to enforce them against suspected infringers. The Company also relies upon unpatented proprietary technology and other trade secrets. While it is the Company's policy to enter into confidentiality agreements with employees and third parties to protect its proprietary expertise and other trade secrets, these agreements might not be enforceable or provide for adequate remedies for breach. The Company has not exhaustively searched third-party patents relevant to, or third-party technology competitive with, its systems and technologies, and therefore it is possible that the Company may be unknowingly infringing third-party intellectual property and, in the alternative, that third parties may be infringing the Company's intellectual property rights. If the Company were to take legal action to protect, defend, or enforce its intellectual property rights, any suits or proceedings could result in substantial costs and diversion of its resources and its management's and employees' attention and could have a material adverse effect on its financial condition and results of operations, regardless of the final outcome of such legal action. In addition, the Company could become the target of patent or other intellectual property infringement claims. Any suits alleging infringement of intellectual property rights could result in substantial costs and diversion of the Company's resources and its management's and employees' attention and could materially adversely affect its financial condition and results of operations, regardless of the final outcome of such legal action. If the Company is found by a court or administrative body of competent jurisdiction to infringe or otherwise violate the intellectual property rights of others, the Company might be required to pay substantial damages or be enjoined from making, using, licensing, or selling the infringing services or technology or both.

5. The Company Is Highly Dependent on Performance of Inmarsat Under the Inmarsat Cooperation Agreement

The Company is highly dependent on Inmarsat's fulfillment of its obligations under the Inmarsat Cooperation Agreement. Following the full implementation of the Inmarsat Cooperation Agreement, the Company will have access to approximately 46 MHz of contiguous blocks of L-Band coordinated spectrum, which will be available for the Company's use as a result of its coordination with Inmarsat. If Inmarsat terminates, defaults, or otherwise fails to perform under the agreement, the Company's business, prospects, financial condition, and results of operations could be materially and adversely affected.

F. Certain Regulatory Considerations

The Company is subject to extensive federal, state and local laws, and regulations governing the use of spectrum. Compliance with these ever-changing laws and regulations requires expenses (including legal representation) and monitoring, capital and operating

expenditures. The costs and burdens associated with complying with the increased number of regulations may have a material adverse effect on the LP Debtors, if they fail to comply with the laws and regulations governing its businesses or if they fail to maintain or obtain advantageous regulatory authorizations and exemptions. Moreover, increased competition within the sector resulting from potential legislative changes, regulatory changes or other factors may create greater risks to the value of the LP Debtors' Assets. Thus, potential changes in laws and regulations could have a material impact on the value of the LP Debtors' Assets and the amount of LP Sale Proceeds.

Additionally, on February 15, 2012 the FCC has proposed to vacate the limited waiver of certain MSS/ATC gating criteria, granted to the Company in 2010, and to modify the Company's satellite license to suspend indefinitely the Company's underlying ATC authorization, first granted in 2004, to an extent consistent with the NTIA's February 2012 conclusion that there currently is no practical way to mitigate the potential incompatibilities resulting from the Company's planned terrestrial operations in the 1525–1559 MHz band such that the Company could successfully deploy an adequate commercial network. The matter is pending before the FCC. If the Company loses its ATC authorization or is unable to proceed with ATC service for other reasons, this could have an adverse effect on the value of the LP Debtors' Assets and the amount of LP Sale Proceeds. Alternatively, if the Company could resolve the FCC's and GPS community's concerns in a manner that will permit it to implement its business plan (inclusive of ATC service), the Debtors' Assets may appreciate in value. Whether such issues will be resolved in a manner favorable to the Company, and the timing of any such resolution, however, are uncertain and difficult to predict.

Although the funding of the Purchase Price is not conditioned on approval by the FCC or Industry Canada, any investment in any of the LP Debtors that hold various FCC licenses and authorizations that effects a change of control of those subsidiaries would be subject to prior FCC approval. A request for FCC approval may involve a lengthy review period prior to consummation of any change of control transaction. It may not be possible to obtain the necessary FCC approvals in a reasonably timely fashion, if at all, and the FCC could impose new or additional license conditions as a condition to approving any transfer. Any investment that effects a material change in the ownership or control of SkyTerra (Canada) Inc. would be subject to prior approval by Industry Canada (which might also include approval under the *Investment Canada Act* and pre-merger notification under the *Competition Act*), as well as separate filings with the FCC. Either or both the request for Industry Canada approval and the related filings with the FCC may involve a lengthy review period prior to consummation of any material change in the ownership or control of SkyTerra (Canada) Inc. It may not be possible to obtain the necessary regulatory approvals in a reasonably timely fashion, if at all, and Industry Canada or the FCC could impose new or additional authorization and/or license conditions as part of approving any transfer. The requirement to obtain regulatory approval could discourage, delay, or prevent a merger, acquisition, or other change in control of any LP Debtor. Funding of the Purchase Price will not result in the transfer of the LP Assets to LBAC (or any other Purchaser). Moreover, funding of the Purchase Price prior to FCC approval has occurred in at least one transaction in the past without triggering a determination by either the FCC or Industry Canada that there has been a premature transfer of control. It nevertheless is possible that such action could raise concerns by regulators as a negative factor indicating a transfer of *de facto* control under the applicable fact-intensive standards.

G. Risks Related to Holders of Disputed Claims

It is possible that the Disputed Claims Reserves to be established pursuant to the Plan will contain insufficient funds to satisfy Disputed Claims that are allowed after the Effective Date, which could result in holders of such subsequently allowed Disputed Claims realizing a lower recovery than that which other holders of Claims in the same Class will receive. In such event, such holders will have no recourse against the LP Debtors, the Purchaser, the Plan Sponsors, or any of their respective professionals, consultants, officers, directors, employees or members or their successors or assigns, or any of their respective property on account of the shortfall.

In addition, the Plan provides for the LP Debtors to utilize Cash in the Disputed Claims Reserves for purposes other than payment of Disputed Claims under certain circumstances. First, the Plan permits the LP Debtors to withdraw up to $1,000,000 in Cash from the Disputed Claims Reserves in the event that proceeds in the Wind Down Reserve are insufficient to pay expenses associated with the Wind Down. Second, the Plan provides that any Administrative Claim (including a Fee Claim) incurred or accrued by the LP Debtors prior to the Effective Date that is not paid on or prior to the Effective Date will be paid from the Disputed Claims Reserves. Although the Plan provides for the LP Debtors to reserve sufficient funds for payment of such Administrative Claims, there can be no guarantee that the amount so initially reserved will be sufficient to satisfy such Administrative Claims. In the event that the Disputed Claims Reserves contain insufficient Cash to satisfy such Administrative Claims, the Plan permits the LP Debtors to withdraw Cash from the Wind Down Reserve to the extent necessary to satisfy such Administrative Claims. This would deplete the Wind Down Reserve, which could ultimately leave the LP Debtors with insufficient Cash to fund expenses associated with the Wind Down, in which event the LP Debtors would be permitted to withdraw cash from the Disputed Claims Reserves to fund such expenses, as described above.

H. Disclosure Statement Disclaimer

1. This Disclosure Statement was not approved by the Securities and Exchange Commission

This Disclosure Statement was not filed with the SEC under the Securities Act or applicable state securities laws. Neither the SEC nor any state regulatory authority has passed upon the accuracy or adequacy of this Disclosure Statement, the exhibits hereto, or the statements contained herein, and any representation to the contrary is unlawful.

2. No legal or tax advice is provided to you by this Disclosure Statement

This Disclosure Statement is not legal advice to you. The contents of this Disclosure Statement should not be construed as legal, business or tax advice. Each holder of a Claim or an Equity Interest should consult his or her own legal counsel and accountant with regard to any legal, tax, and other matters concerning his or her Claim or Equity Interest. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan.

3. No admissions made

The information and statements contained in this Disclosure Statement will neither (a) constitute an admission of any fact or liability by any entity (including, without limitation, the Plan Sponsors) nor (b) be deemed evidence of the tax or other legal effects of the Plan on any of the Debtors, their successors and assigns, holders of Allowed Claims or Equity Interests, or any other parties in interest.

4. Failure to identify litigation Claims or projected objections

No reliance should be placed on the fact that a particular litigation Claim or projected objection to a particular Claim or Equity Interest is, or is not, identified in this Disclosure Statement. The LP Debtors may seek to investigate, file, and prosecute Claims and Equity Interests and may object to Claims after the Confirmation or Effective Date of the Plan irrespective of whether this Disclosure Statement identifies such Claims or objections to Claims.

5. The Plan Sponsors' advisors relied on public and non-confidential information

Counsel to and other advisors retained by the Plan Sponsors have relied upon public information and information provided to them on a non-confidential basis in connection with the preparation of this Disclosure Statement. Although counsel to and other advisors retained by the Plan Sponsors have performed certain limited due diligence in connection with the preparation of this Disclosure Statement, they have not independently verified the information contained herein.

6. Potential exists for inaccuracies, and the Plan Sponsors have no duty to update

The statements contained in this Disclosure Statement are made by the Plan Sponsors as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has not been a change in the information set forth herein since that date. While Plan Sponsors used their reasonable business judgment to ensure the accuracy of all of the information provided in this Disclosure Statement and in the Plan, the Plan Sponsors nonetheless cannot, and do not, confirm the current accuracy of all statements appearing in this Disclosure Statement. Further, although the Plan Sponsors may subsequently update the information in this Disclosure Statement, they have no affirmative duty to do so unless ordered to do so by the Bankruptcy Court.

7. No representations outside this Disclosure Statement are authorized

II. No representations concerning or relating to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in the Disclosure Statement. Any representations or inducements made to influence your decision to accept or reject the Plan that are other than as contained in, or included with, this Disclosure Statement should not be relied upon by you in arriving at your decision. You should promptly report any unauthorized representations or inducements to counsel for any of the Plan Sponsors and the U.S. Trustee.

IX.

CONFIRMATION AND CONSUMMATION PROCEDURES

A. Overview

A chapter 11 plan may provide anything from a complex restructuring of a debtor's business and its related obligations to a simple liquidation of a debtor's assets. In either event, upon confirmation of a plan, it becomes binding on the debtor and all of its creditors and equity holders, and the obligations owed by the debtor to such parties are compromised and exchanged for the obligations specified in the plan. Before soliciting acceptances of a proposed plan, section 1125 of the Bankruptcy Code requires the debtor to prepare and file a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. **This Disclosure Statement is presented to holders of impaired Claims against and Equity Interests in the LP Debtors to satisfy the requirements of section 1125 of the Bankruptcy Code in connection with the Plan Sponsors' solicitation of votes on the Plan.**

If all classes of claims and interests accept a plan of reorganization, a bankruptcy court may confirm the plan if such bankruptcy court independently determines that the requirements of section 1129(a) of the Bankruptcy Code have been satisfied. Section 1129(a) sets forth the requirements for confirmation of a plan and, among other things, requires that a plan meet the "best interests of creditors" test and be "feasible." The "best interests of creditors" test generally requires that the value of the consideration to be distributed to the holders of claims or interests under a plan may not be less than those parties would receive if the debtor were liquidated pursuant to a hypothetical liquidation occurring under chapter 7 of the Bankruptcy Code. Under the "feasibility" requirement, a bankruptcy court generally must find that there is a reasonable probability that a debtor will be able to meet its obligations under its plan without the need for further financial reorganization. **The Plan Sponsors believe that the Plan satisfies all the applicable requirements of section 1129(a) of the Bankruptcy Code, including, in particular, the best interests of creditors' test and the feasibility requirement.**

The Bankruptcy Code does not require that each holder of a claim or interest in a particular class vote in favor of a plan of reorganization for the bankruptcy court to determine that the class has accepted a plan. Rather, a class of creditors will be determined to have accepted the plan if the bankruptcy court determines that the plan has been accepted by a majority in number and two-thirds in amount of those claims entitled to vote and actually voting in such class. Similarly, a class of equity security holders will have accepted a plan if the bankruptcy court determines that the plan has been accepted by holders of two-thirds of the number of shares actually voting in such class.

In addition, classes of claims or interests that are not impaired under a plan of reorganization are conclusively presumed to have accepted the plan and thus are not entitled to vote. Furthermore, classes that are to receive no distribution under the plan are conclusively deemed to have rejected the plan. Accordingly, acceptances of a plan will generally be solicited only from those Persons who hold claims or interests in an impaired class. A class is "impaired" under a plan if the legal, equitable, or contractual rights associated with the claims or Interests of

that class are modified in any way under the plan. Modification for purposes of determining impairment, however, does not include curing defaults and reinstating maturity on the effective date of the plan. **Class 1 – LP Other Priority Claims and Class 2 – LP Other Secured Claims are unimpaired under the Plan and are therefore deemed to have accepted the Plan. Class 3 – Prepetition LP Facility Claims, Class 4 – LP General Unsecured Claims, Class 5 – Existing LP Preferred Units Equity Interests, and Class 6 – LP Common Equity Interests are impaired under the Plan and are therefore entitled to vote on the Plan.**

A bankruptcy court also may confirm a plan of reorganization even though fewer than all the classes of impaired claims and interests accept such plan. For a plan of reorganization to be confirmed despite its rejection by a class of impaired claims or interests, the plan must be accepted by at least one class of impaired claims (determined without counting the vote of insiders) and the proponent of the plan must show, among other things, that the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each impaired class of claims or Interests that has not accepted the plan.

Under section 1129(b) of the Bankruptcy Code, a plan is "fair and equitable" as to a rejecting class of claims or interests if, among other things, the plan provides: (a) with respect to secured claims, that each such holder will receive or retain on account of its claim property that has a value, as of the effective date of the plan, equal to the allowed amount of such claim; and (b) with respect to unsecured claims and interests, that the holder of any claim or interest that is junior to the claims or interests of such class will not receive or retain on account of such junior claim or interest any property from the estate, unless the senior class receives property having a value equal to the full amount of its allowed claim.

A plan does not "discriminate unfairly" against a rejecting class of claims or interests if (a) the relative value of the recovery of such class under the plan does not differ materially from that of any class (or classes) of similarly situated claims or interests and (b) no senior class of claims or interests is to receive more than the amount of the claims or interest in such class.

The Plan has been structured so that it will satisfy the foregoing requirements as to any rejecting Class of Claims or Equity Interests, and can therefore be confirmed, if necessary, over the objection of any class of Claims or Equity Interests provided at least one class of Claims or Equity Interests entitled to vote on the Plan votes to accept the Plan.

B. Confirmation of the Plan

1. Elements of Section 1129 of the Bankruptcy Code

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan only if all of the conditions to confirmation under section 1129 of the Bankruptcy Code are satisfied.

Such conditions include the following:

a. The Plan complies with the applicable provisions of the Bankruptcy Code.

b. The Plan Sponsors have complied with the applicable provisions of the Bankruptcy Code.

c. The Plan has been proposed in good faith and not by any means proscribed by law.

d. Any payment made or promised by the Plan Sponsors or by a Person issuing securities or acquiring property under the Plan for services or for costs and expenses in, or in connection with, the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable.

e. The Plan Sponsors have disclosed the identity of any individual proposed to serve, after confirmation of the Plan, as a director, officer or voting trustee of the LP Debtors under the Plan and the continuance in such office of such individual is consistent with the interests of creditors and equity holders and with public policy.

f. With respect to each impaired Class of Claims or Equity Interests, each holder of an impaired Claim or impaired Equity Interest either has accepted the Plan or will receive or retain under the Plan, on account of the Claims or Equity Interests held by such entity, property of a value, as of the Effective Date, that is not less than the amount that such entity would receive or retain if the LP Debtors were liquidated on such date under chapter 7 of the Bankruptcy Code;

g. In the event that the Plan Sponsors do not move to confirm the Plan nonconsensually, each Class of Claims or Equity Interests entitled to vote has either accepted the Plan or is not impaired under the Plan;

h. Except to the extent that the holder of a particular Claim or Equity Interest has agreed to a different treatment of such Claim or Equity Interest, the Plan provides that holders of LP Other Priority Claims will be paid in full, in Cash on the later of (i) the Plan Distribution Date and (ii) as soon as reasonably practicable after such LP Other Priority Claim becomes an Allowed Claim.

i. Except to the extent that a holder of an Allowed LP Other Secured Claim agrees to different treatment, on the later of the Effective Date and the first Distribution Date after the applicable LP Other Secured Claim becomes an Allowed Claim, or as soon after such date as is reasonably practicable, each holder of an Allowed LP Other Secured Claim shall receive, at the election of the Ad Hoc LP Secured Group: (i) Cash in an amount equal to such Allowed Claim; or (ii) such other treatment that will render the LP Other Secured Claim unimpaired pursuant to section 1124 of the Bankruptcy Code.

j. At least one impaired Class of Claims or Equity Interests has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim or Equity Interest in such Class.

k. Confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the LP Debtors or any other successor to the LP Debtors under the Plan, except to the extent proposed in the Plan.

l. All fees payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the Confirmation Hearing, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.

The Plan Sponsors believe that the Plan will satisfy all the statutory provisions of chapter 11 of the Bankruptcy Code, that they have complied or will have complied with all of the provisions of the Bankruptcy Code, and that the Plan is being proposed and submitted to the Bankruptcy Court in good faith.

2. Acceptance

A Class of Claims or Equity Interests will have accepted the Plan if the Plan is accepted by at least two-thirds in amount and more than one-half in number of the Claims entitled to vote that actually vote in such Class.

3. Best Interests of Creditors Test

With respect to each impaired Class of Claims and Equity Interests, confirmation of the Plan requires that each holder of a Claim or Equity Interest in such Class either (a) accepts the Plan or (b) receives or retains under the Plan property of a value, as of the applicable consummation date under the Plan, that is not less than the value such holder would receive or retain if the LP Debtors were liquidated under chapter 7 of the Bankruptcy Code.

To determine what holders of Claims and Equity Interests in each impaired Class would receive if the LP Debtors were liquidated, the Bankruptcy Court must determine the proceeds that would be generated from the liquidation of the properties and interests in property of the LP Debtors in a chapter 7 liquidation case. The proceeds that would be available for satisfaction of Claims against and Equity Interests in the LP Debtors would consist of the proceeds generated by disposition of the unencumbered equity in the properties and interests in property of the LP Debtors and the Cash held by the LP Debtors at the time of the commencement of the liquidation case. Such proceeds would be reduced by the costs and expenses of the liquidation and by such additional administration and priority claims that may result from the termination of the businesses of the LP Debtors and the use of chapter 7 for the purposes of liquidation.

The costs of liquidation under chapter 7 of the Bankruptcy Code would include the fees payable to a trustee in bankruptcy, and the fees that would be payable to additional attorneys and other professionals that such a trustee may engage, plus any unpaid expenses incurred by the LP Debtors during the Chapter 11 Cases, such as compensation for attorneys, financial advisors, accountants and costs that are allowed in a chapter 7 liquidation case. In addition, Claims would

arise by reason of the breach or rejection of obligations incurred and executory contracts entered into or assumed by the LP Debtors during the pendency of the Chapter 11 Cases. The foregoing types of Claims and such other Claims which may arise in the liquidation cases or result from the pending Chapter 11 Cases would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay unsecured Claims arising on or before the Petition Date.

To determine if the Plan is in the best interest of each impaired Class, the present value of the distributions from the proceeds of the liquidation of the properties and interests in property of the LP Debtors (net of the amounts attributable to the aforesaid claims) is then compared with the present value offered to such Classes of Claims and Equity Interests under the Plan.

After consideration of the effects that a chapter 7 liquidation would have on the ultimate proceeds available for distribution to creditors in the Chapter 11 Cases, including: (a) the increased costs and expenses of a liquidation under chapter 7 arising from fees payable to a trustee in bankruptcy and professional advisors to such trustee and (b) the erosion in value of assets in a chapter 7 liquidation case in the context of the expeditious liquidation required under chapter 7 and the "forced sale" environment in which such a liquidation would likely occur, the Plan Sponsors have determined that confirmation of the Plan will provide each holder of a Claim or Equity Interest with a greater or equal recovery than it would receive pursuant to liquidation of the LP Debtors under chapter 7 of the Bankruptcy Code.

The Liquidation Analysis is further described in Exhibit "D" to this Disclosure Statement, entitled "Liquidation Analysis."

4. Feasibility

The Bankruptcy Code conditions confirmation of a plan of reorganization on, among other things, a finding that it is not likely to be followed by the liquidation or the need for further financial reorganization of a debtor. For purposes of determining whether the Plan satisfies this condition, the Plan Sponsors have analyzed the capacity of each of the LP Debtors to service their obligations under the Plan. Based upon their analysis, the Plan Sponsors believe that each of the LP Debtors will be able to meet all of its obligations imposed by the Plan.

C. Cramdown

In the event that any impaired Class does not accept the Plan, the Plan Sponsors nonetheless may move for confirmation of the Plan. To obtain such confirmation, it must be demonstrated to the Bankruptcy Court that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such Classes and any other Classes of Claims that vote to reject the Plan.

1. No Unfair Discrimination

A plan of reorganization "does not discriminate unfairly" if (a) the legal rights of a nonaccepting class are treated in a manner that is consistent with the treatment of other classes whose legal rights are similar to those of the nonaccepting class and (b) no class receives payments in excess of that which it is legally entitled to receive for its claims or interests. The

Plan Sponsors believe that under the Plan all impaired Classes of Claims and Equity Interests are treated in a manner that is consistent with the treatment of other Classes of Claims and Equity Interests that are similarly situated, if any, and no Class of Claims or Equity Interests will receive payments or property with an aggregate value greater than the aggregate value of the Allowed Claims and Allowed Equity Interests in such Class. Accordingly, the Plan Sponsors believe that the Plan does not discriminate unfairly as to any impaired Class of Claims or Equity Interests.

2. Fair and Equitable Test

The Bankruptcy Code establishes different "fair and equitable" tests for classes of secured claims, unsecured claims, and interests as follows:

a. Secured Claims. Either (i) each holder of a claim in an impaired class of secured claims retains its liens securing its secured claim and it receives on account of its secured claim deferred cash payments having a present value equal to the amount of its allowed secured claim, (ii) each holder of a claim in an impaired class of secured claims realizes the indubitable equivalent of its allowed secured claim, or (iii) the property securing the claim is sold free and clear of liens, with such liens to attach to the proceeds and the treatment of such liens on proceeds as provided in clause (i) or (ii) of this subparagraph.

b. Unsecured Claims. Either (i) each holder of a claim in an impaired class of unsecured claims receives or retains under the plan property of a value equal to the amount of its allowed claim or (ii) the holders of claims and interests that are junior to the claims of the dissenting class will not receive any property under the plan of reorganization, subject to the applicability of the judicial doctrine of contributing new value.

c. Interests. Either (i) each holder of an interest in an impaired class of interests will receive or retain under the plan of reorganization property of a value equal to the greater of (A) the fixed liquidation preference or redemption price, if any, of such stock or (B) the value of the stock or (ii) the holders of interests that are junior to the stock will not receive any property under the plan of reorganization, subject to the applicability of the judicial doctrine of contributing new value.

THE PLAN MAY BE CONFIRMED IF THE REQUISITE HOLDERS OF CLAIMS OR EQUITY INTERESTS IN ANY CLASS VOTE TO ACCEPT THE PLAN.

D. Effect of Confirmation

Under section 1141 of the Bankruptcy Code, the provisions of a confirmed plan bind the debtor, any entity issuing securities under the plan, any entity acquiring property under the plan, and any creditor or equity security holder, whether or not the claim or interest of such creditor or equity security holder is impaired under the plan and whether or not such creditor or equity security holder voted to accept the plan. Further, after confirmation of a plan, the property dealt with by the plan is free and clear of all claims and interests of creditors and equity security holders, except as otherwise provided in the plan or the confirmation order.

X.

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

A. General

The following summary describes certain U.S. federal income tax consequences to holders of Claims against and Equity Interests in the LP Debtors as a result of the implementation of the Plan. This summary is based on the Internal Revenue Code (the "Code"), its legislative history, existing Treasury regulations ("Treasury Regulations") thereunder, and published rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect. The LP Debtors will not seek a ruling from the Internal Revenue Service ("IRS") with regard to the U.S. federal income tax treatment of the Plan and, therefore, there can be no assurance that the IRS will agree with the conclusions set forth below. In addition, except as set forth below, the summary only applies to U.S. Holders (as defined below) whose Claims or Equity Interests are held as capital assets and does not address all of the tax consequences that may be relevant to U.S. Holders or tax consequences to investors in special tax situations (such as financial institutions, dealers in securities or currencies, tax-exempt organizations, insurance companies, partnerships or other pass-through entities or Persons holding Claims or Equity Interests through a partnership or other pass-through entity, Persons holding Claims or Equity Interests as part of a straddle, hedging or conversion transaction, and certain U.S. expatriates). Accordingly, each holder should consult its own tax advisor with regard to the consequences of participating in the Plan and the application of U.S. federal income tax laws, as well as the laws of any state, local or foreign taxing jurisdictions, to its particular situation.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner of a Claim or Equity Interest that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or an entity taxable as a corporation) organized in or created under the laws of the United States or of any political subdivision of the United States;
- an estate whose income is includible in gross income for U.S. federal income tax purposes regardless of its source; or
- a trust, (i) if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. Persons have authority to control all substantial decisions of the trust or (ii) that has validly elected to be treated as a U.S. Person for U.S. federal income tax purposes.

If a partnership (or an entity treated as a partnership for U.S. federal income tax purposes) holds a Claim or Equity Interest, the tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. Each partner of a partnership (or an entity treated as a partnership for U.S. federal income tax purposes) holding a Claim or Equity Interest should consult its own tax advisor with regard to the tax consequences of participating in the Plan.

A "Non-U.S. Holder" is a beneficial owner of a Claim or Equity Interest other than (1) a U.S. Holder or (2) a partnership for U.S. federal income tax purposes.

Treasury Department Circular 230 Disclosure

TO COMPLY WITH TREASURY DEPARTMENT CIRCULAR 230, TAXPAYERS ARE HEREBY NOTIFIED THAT (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON A TAXPAYER UNDER THE INTERNAL REVENUE CODE, (B) ANY SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN, AND (C) TAXPAYERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

B. Tax Consequences to Holders of Certain Allowed Claims Other than LP Common Equity Interests

1. U.S. Holders

A U.S. Holder will recognize gain or loss in an amount equal to (x) the sum of (i) the stated principal balance of any debt instrument received by such U.S. Holder for its Allowed Claim or Equity Interest, (ii) the fair market value of any stock received by such U.S. Holder for such Allowed Claim or Equity Interest, and (iii) the amount of any cash received by such U.S. Holder for such Allowed Claim or Equity Interest; over (y) the U.S. Holder's adjusted tax basis in such Allowed Claim or such Equity Interest surrendered (other than any claim for accrued but unpaid interest and, in the case of an Equity Interest, taking into account any adjustments to such U.S. Holder's adjusted tax basis from allocations of income or loss during the taxable year (including allocations resulting from the LP Sale)). If you are a noncorporate U.S. Holder, the maximum marginal U.S. federal income tax rate applicable to the gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income (other than certain dividends) if your holding period for the Allowed Claim or the Allowed Equity Interest exceeds one year (i.e., such gain is long-term capital gain). Any gain or loss realized generally will be treated as U.S. source gain or loss, as the case may be. The deductibility of capital losses is subject to limitations. Payments attributable to accrued but unpaid interest will be taxable as ordinary income to the extent not previously taken into income. Conversely, a holder of an Allowed Claim may be able to recognize a deductible loss (or, possibly, a write-off against a reserve for worthless debts) to the extent that any accrued interest on the Allowed Claims was previously included in the holder's gross income but was not paid in full by the LP Debtors. Such loss may be ordinary, but the tax law is unclear on this point.

A U.S. Holder will have a tax basis in any stock received equal to the fair market value of such stock as of the applicable Plan Distribution Date and a tax basis in any debt instrument it receives equal to the stated principal balance of such debt instrument.

A holder of an Allowed Claim that purchased its Claim from a prior holder at a market discount may be subject to the market discount rules of the Code. Under the market discount rules, a U.S. Holder generally will be required to treat any gain realized on the sale, exchange, retirement or other disposition of its Claim as ordinary income to the extent of any accrued market discount that has not previously been included in income. For this purpose, market discount will be considered to accrue ratably during the period from the date of the U.S. Holder's acquisition of the Claim to the maturity date of the Claim, unless the U.S. Holder made an election to accrue market discount on a constant yield basis.

A holder of an indirect interest in an Existing LP Preferred Unit Equity Interest that holds such indirect interest through an entity that treated as a pass-through entity or an entity disregarded as separate from its owner for U.S. federal income tax purposes will be required to take into account any income allocated to such holder as a result of its indirection interest in such Existing LP Preferred Unit Equity Interest through the date of the indirect disposition of the Existing LP Preferred Unit Equity Interest pursuant to the Plan.

2. Non-U.S. Holders

Subject to the discussion below under the caption "—U.S. Backup Withholding Tax and Information Reporting," if you are a Non-U.S. Holder, any gain realized by you upon the receipt of Cash, stock or a debt instrument in satisfaction of your Allowed Claim or Allowed Equity Interest generally will not be subject to U.S. federal income tax, unless:

- the gain is effectively connected with your conduct of a trade or business in the United States; or

- if you are an individual Non-U.S. Holder, you are present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement or other taxable disposition and certain other conditions are met.

C. Tax Consequences to Holders of LP Common Equity Interests

1. U.S. Holders

A U.S. Holder of an LP Common Equity Interest will recognize gain or loss in an amount equal to (x) the sum of (i) the stated principal balance of any debt instrument received by such U.S. Holder for its LP Common Equity Interest, (ii) the fair market value of any stock received by such U.S. Holder for such LP Common Equity Interest and (iii) the amount of any cash received by such U.S. Holder for such LP Common Equity Interest over (y) the U.S. Holder's adjusted tax basis in such LP Common Equity Interest surrendered, taking into account any adjustments to such U.S. Holder's adjusted tax basis from allocations of income or loss during the taxable year (including allocations resulting from the LP Sale). If you are a noncorporate U.S. Holder, the maximum marginal U.S. federal income tax rate applicable to the gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income (other than certain dividends) if your holding period for the Equity Interest exceeds one year (*i.e.*, such gain is long-term capital gain). Any gain or loss realized generally will be treated as U.S. source gain or loss, as the case may be. The deductibility of capital losses is subject to

limitations.

A U.S. Holder will have a tax basis in any stock received equal to the fair market value of such stock as of the applicable Plan Distribution Date and a tax basis in any debt instrument it receives equal to the stated principal balance of such debt instrument.

If the amount of Plan Consideration is insufficient to permit a distribution to the holders of LP Common Equity Interests, the holders of LP Common Equity Interests may be entitled to claim a worthless stock deduction in an amount equal to such holder's adjusted basis in the LP Common Equity Interests. A worthless stock deduction is generally treated as a loss from the sale or exchange of a capital asset. Holders of LP Common Equity Interests should consult their own tax advisers as to the appropriate tax year in which to claim a worthless stock deduction.

2. Non-U.S. Holders

Subject to the discussion below under the caption "—U.S. Backup Withholding Tax and Information Reporting," if you are a Non-U.S. Holder, any gain realized by you upon the receipt of Cash, stock, or debt instrument for your LP Common Equity Interest generally will not be subject to U.S. federal income tax, unless:

- the gain is effectively connected with your conduct of a trade or business in the United States; or

- if you are an individual Non-U.S. Holder, you are present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement or other taxable disposition and certain other conditions are met.

D. Tax Consequences to the LP Debtors Upon Consummation of the Plan

As a result of the LP Sale, any LP Debtor that is treated as a corporation for U.S. federal income tax purposes generally should recognize gain, to the extent the sum of the amount of cash received by such LP Debtor pursuant to the LP Sale, the fair market value of any stock received by such LP Debtor pursuant to the LP Sale, and the adjusted issue price of any debt instrument received by such LP Debtor pursuant to the LP Sale exceeds such LP Debtor's adjusted tax basis in the LP Assets sold in connection with the LP Sale, or loss, to the extent such LP Debtor's adjusted tax basis in the LP Assets sold in connection with the LP Sale exceeds the sum of the amount of cash received by such LP Debtor pursuant to the LP Sale, the fair market value of any stock received by such LP Debtor pursuant to the LP Sale, and the adjusted issue price of any debt instrument received by such LP Debtor pursuant to the LP Sale.

E. Consequences of Ownership of Stock Interests and Loans Received in Connection with the Plan

The terms of the stock interests or debt instruments that may be received in connection with the LP Sale, if any, are not known at this time. It is not possible, therefore, to provide a complete discussion of the U.S. federal income tax consequences of holding any such stock interest or debt instrument. Holders that receive a stock interest or debt instrument should consult their own tax advisors regarding the tax consequences of the ownership and disposition of a stock interest or debt instrument received in connection with the Plan.

F. Information Reporting and Backup Withholding

Proceeds paid to a U.S. Holder in respect of the satisfaction of a Claim or cancellation of Equity Interests generally will be subject to information reporting requirements. The payor will be required to backup withhold on payments made within the United States, or by a U.S. payor or U.S. middleman, to a holder of a Claim or Equity Interest that is a U.S. Person, other than an exempt recipient, if the holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements. Payments within the United States, or by a U.S. payor or U.S. middleman, of to a holder of a Claim or Equity Interest that is not a U.S. Person will not be subject to backup withholding tax and information reporting requirements if an appropriate certification is provided by the holder to the payor and the payor does not have actual knowledge or a reason to know that the certificate is incorrect. The backup withholding tax rate is currently 28%.

Backup withholding is not an additional tax. You generally will be entitled to credit any amounts withheld under the backup withholding rules against your U.S. federal income tax liability provided the required information is furnished to the IRS in a timely manner.

In the case of payments to certain trusts or certain partnerships, the Persons treated as the owners of the trust or the partners of the partnership, as the case may be, will be required to provide the certification discussed above in order to establish an exemption from backup withholding tax and information reporting requirements.

XI.

ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Plan Sponsors have evaluated numerous alternatives to the Plan. After studying these alternatives, the Plan Sponsors have concluded that the Plan is the best alternative and will maximize recoveries to holders of Claims and Equity Interests. The following discussion provides a summary of the analysis of the Plan Sponsors supporting their conclusion that a liquidation of the LP Debtors or an alternative plan will not provide higher value to holders of Claims and Equity Interests.

A. Liquidation Under Chapter 7 of the Bankruptcy Code

If no plan of reorganization can be confirmed, the Chapter 11 Cases may be converted to a case under chapter 7, in which event a trustee would be elected or appointed to liquidate the properties and interests in property of the LP Debtors for distribution to their creditors in accordance with the priorities established by the Bankruptcy Code. The Plan Sponsors believe that liquidation under chapter 7 would result in smaller distributions being made to holders of Claims and Equity Interests than those provided for under the Plan because of, among other things, (i) the increased costs and expenses of a liquidation under chapter 7 arising from fees payable to a trustee for bankruptcy and professional advisors to such trustee; (ii) the erosion in value of assets in the context of the expeditious liquidation required under chapter 7 and the "forced sale" environment in which such a liquidation would likely occur; (iii) the adverse effects on the salability of business segments as a result of the likely departure of key employees and the loss of customers; and (iv) potential increases in claims which would have to be satisfied on a priority basis or on parity with creditors in the Chapter 11 Cases. Accordingly, the Plan Sponsors have determined that confirmation of the Plan will provide each holder of a Claim or Equity Interest with a greater recovery than it would receive pursuant to liquidation under chapter 7.

A discussion of the effects that a chapter 7 liquidation would have on the holders of Claims and Equity Interests is set out in the Liquidation Analysis, attached as Exhibit "D" hereto.

B. Alternative Plans

If the Plan is not confirmed, it is possible that the Bankruptcy Court will confirm the Debtors' Plan or the Harbinger Plan or some other heretofore unproposed plan of reorganization or liquidation. The Plan Sponsors have examined those other Competing Plans and various other alternatives in connection with the process involved in the formulation and development of the Plan. The Plan Sponsors believe that the Plan, as described herein, maximizes recoveries to holders of Claims against and Equity Interests in the LP Debtors. As described in more detail in the section of this Disclosure Statement entitled "The Chapter 11 Cases – The Competing Plans and Disclosure Statements," the Debtors' Plan and the Harbinger Plan are, in the opinion of the Plan Sponsors, inferior to the Plan Sponsors' Plan and unconfirmable. The Plan Sponsors reserve all rights to assert, and anticipate asserting, objections to the Competing Plans (predicated on arguments not set forth herein) in advance of the Confirmation Hearing.

If the Bankruptcy Court does not confirm the Plan or any of the Competing Plans, it is possible that a party in interest could undertake to formulate a different plan, including a plan of either reorganization or liquidation. Such a plan might involve a reorganization and continuation of the business of the LP Debtors, the sale of the LP Debtors as a going concern or an orderly liquidation of the properties and interests in property of the LP Debtors. However, there can be no assurance that any such other plan would result in greater value to the LP Debtors' estates than would be realized under the Plan, and it is possible that such a plan would provide inferior recoveries to stakeholders of the LP Debtors relative to the Plan.

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XII.

CONCLUSION

The Plan Sponsors believe that the Plan is in the best interest of all holders of Claims against and Equity Interests in the LP Debtors, and urges all holders of Claims against and Equity Interests in any of the LP Debtors to vote to accept the Plan and to evidence such acceptance by returning their ballots in accordance with the instructions set forth in the Disclosure Statement Order.

Dated: October 7, 2013

Respectfully submitted,

WHITE & CASE LLP

By: /s/ Glenn M. Kurtz

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Counsel for the Ad Hoc Secured Group of LightSquared LP Lenders

EXHIBIT A

THE PLAN

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

FIRST AMENDED JOINT CHAPTER 11 PLAN FOR LIGHTSQUARED LP, ATC TECHNOLOGIES, LLC, LIGHTSQUARED CORP., LIGHTSQUARED INC. OF VIRGINIA, LIGHTSQUARED SUBSIDIARY LLC, LIGHTSQUARED FINANCE CO., LIGHTSQUARED NETWORK LLC, LIGHTSQUARED BERMUDA LTD., SKYTERRA HOLDINGS (CANADA) INC., AND SKYTERRA (CANADA) INC., PROPOSED BY THE AD HOC SECURED GROUP OF LIGHTSQUARED LP LENDERS

Nothing contained herein shall constitute an offer, acceptance or a legally binding obligation of the Debtors or any other party in interest and this Plan is subject to approval of the Bankruptcy Court and other customary conditions. This Plan is not an offer with respect to any securities. This is not a solicitation of acceptances or rejections of the Plan. Acceptances or rejections with respect to this Plan may not be solicited until a disclosure statement has been approved by the United States Bankruptcy Court for the Southern District of New York. Such a solicitation will only be made in compliance with applicable provisions of securities and/or bankruptcy laws.

Dated: New York, New York
October 7, 2013

WHITE & CASE LLP
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New York, New York 10036
(212) 819-8200
Counsel for the Ad Hoc Secured Group of LightSquared LP Lenders

[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).

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INTRODUCTION

The Plan Sponsors, certain holders of Prepetition LP Facility Claims who are members of the Ad Hoc LP Secured Group, hereby propose the following joint chapter 11 plan for the resolution of the Claims against and Equity Interests in LightSquared LP, ATC Technologies, LLC, LightSquared Corp., LightSquared Inc. of Virginia, LightSquared Subsidiary LLC, LightSquared Finance Co., LightSquared Network LLC, LightSquared Bermuda Ltd., SkyTerra Holdings (Canada) Inc., and SkyTerra (Canada) Inc., certain of the debtors and debtors in possession in the above-captioned cases.

Reference is made to the Disclosure Statement, including the exhibits, schedules and supplements thereto, for a discussion of the Debtors' history, business, properties and operations, risk factors, a summary and analysis of this Plan, and certain related matters including, among other things, certain tax matters and the consideration to be issued and/or distributed under this Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code, Bankruptcy Rule 3019, and Sections 13.20 and 13.21 of this Plan, the Plan Sponsors reserve the right to alter, amend, modify, revoke or withdraw this Plan prior to its substantial consummation.

The only Persons that are entitled to vote on this Plan are the holders of Prepetition LP Facility Claims, LP General Unsecured Claims, Existing LP Preferred Units Equity Interests and LP Common Equity Interests. Such Persons are encouraged to read in their entirety the Plan, the Disclosure Statement, their respective exhibits and schedules, and all other materials approved by the Bankruptcy Court in connection with solicitation of this Plan before voting to accept or reject the Plan.

ARTICLE I.
DEFINITIONS AND INTERPRETATION

1.1. Definitions

The capitalized terms used herein shall have the respective meanings set forth in the Glossary of Defined Terms attached hereto as Exhibit "A" (such meanings to be equally applicable to both the singular and plural).

1.2. Interpretation; Application of Definitions and Rules of Construction

Unless otherwise specified, all section or exhibit references in this Plan are to the respective section in, or exhibit to, this Plan. The words "herein," "hereof," "hereto," "hereunder," and other words of similar import refer to this Plan as a whole and not to any particular section, subsection, or clause contained therein. Whenever from the context it is appropriate, each term, whether stated in the singular or the plural, will include both the singular and the plural. Any term that is not otherwise defined herein, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning given to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable. Except for the rules of construction contained in section 102(5) of the Bankruptcy Code, which shall not apply, the rules of construction contained in section 102 of the Bankruptcy Code shall apply to the construction of the Plan. Any reference in this Plan to a contract, instrument, release, indenture, or other agreement or documents being in a

particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions, and any reference in this Plan to an existing document or exhibit filed or to be filed means such document or exhibit as it may have been or may be amended, modified, or supplemented. Subject to the provisions of any contract, certificates or articles of incorporation, by-laws, instruments, releases, or other agreements or documents entered into in connection with this Plan, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, federal law, including the Bankruptcy Code and Bankruptcy Rules. The captions and headings in this Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof. Any reference to an entity as a holder of a Claim or Equity Interest includes that entity's successors and assigns. In the event of any ambiguity or conflict between the Plan and the Disclosure Statement, the provisions of the Plan shall govern.

1.3. Appendices and Plan Documents

All exhibits, supplements, appendices, and schedules to the Plan are incorporated into the Plan by this reference and are a part of the Plan as if set forth in full herein. All Plan Documents shall be filed with the Bankruptcy Court as part of the Plan Supplement not less than five (5) calendar days prior to the Voting Deadline; provided, however, that any Plan Document that is or may be subject to confidentiality provisions or otherwise contain confidential or proprietary information may be filed in redacted form or under seal.

Holders of Claims and Equity Interests may obtain a copy of the Plan, once filed, at https://www.kccllc.net/LightSquared or by written request sent to the following address:

LightSquared LP Ballot Processing Center
c/o Kurtzman Carson Consultants LLC
2335 Alaska Avenue
El Segundo, CA 90245

ARTICLE II.
RESOLUTION OF CERTAIN INTER-DEBTOR ISSUES

2.1. Non-Consolidated Plan

Although for purposes of administrative convenience and efficiency the Plan has been filed as a joint Plan for each of the LP Debtors and consolidates classes of Claims against and Equity Interests in the LP Debtors, the Plan does not provide for the substantive consolidation of the LP Debtors. Such joint administration shall not affect any LP Debtor's status as a separate legal entity, change the organizational structure of the LP Debtors' business enterprise, constitute a change of control of any LP Debtor for any purpose, cause a merger or consolidation of any legal entities, nor cause the transfer of any assets and, except as otherwise provided by or permitted in the Plan, all LP Debtors shall continue to exist as separate legal entities. For the avoidance of doubt, the Plan must comply with section 1129 of the Bankruptcy Code for each LP Debtor, and votes with respect to the Plan will be tabulated on a non-consolidated basis by class and by Debtor for the purpose of determining whether the Plan satisfies section 1129 of the Bankruptcy Code with respect to each LP Debtor.

2.2. Intercompany Claims

Except as otherwise provided in the Plan, Administrative Claims and Intercompany Claims between and among the LP Debtors shall, solely for purposes of receiving Plan Distributions, be deemed resolved and therefore not entitled to any Plan Distribution and shall not be entitled to vote on the Plan.

2.3. Inc. Entity General Unsecured Claims

Any Allowed Inc. Entity General Unsecured Claim shall be classified as an LP General Unsecured Claim and receive the treatment set forth in Section 5.4 of this Plan, unless otherwise ordered by the Bankruptcy Court.

ARTICLE III.
PROVISIONS FOR TREATMENT OF UNCLASSIFIED CLAIMS

3.1. Unclassified Claims

As provided by section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Fee Claims, U.S. Trustee Fees and Priority Tax Claims against the LP Debtors shall not be classified under the Plan, and shall instead be treated separately as unclassified Claims on the terms set forth in this Article III. Holders of such Claims are not entitled to vote on this Plan.

3.2. Treatment of Administrative Claims

(a) Time for Filing Administrative Claims

Each holder of an Administrative Claim, other than (i) a Fee Claim, (ii) a liability incurred and payable in the ordinary course of business by any LP Debtor (and not past due), (iii) an Administrative Claim that has become an Allowed Claim on or before the Effective Date, or (iv) any claim by the Stalking Horse Bidder for payment of the Break-Up Fee or Expense Reimbursement under the Bid Procedures Order or Stalking Horse Agreement must file with the Bankruptcy Court and serve on (a) the LP Debtors, (b) the Office of the U.S. Trustee, and (c) the Plan Sponsors notice of such Administrative Claim no later than thirty (30) days after service of the Notice of Effective Date. Such notice of Administrative Claim must include, at a minimum, (i) the name of the holder of the Administrative Claim, (ii) the amount of the Administrative Claim, and (iii) a detailed description of the basis for the Administrative Claim. **Failure to file and serve such notice timely and properly shall result in the Administrative Claim being forever barred and discharged.**

Notwithstanding the forgoing, the Plan Sponsors or the LP Debtors may request that the Bankruptcy Court establish one or more deadlines prior to the occurrence of Effective Date for the filing of Administrative Claims.

(b) Allowance of Administrative Claims

An Administrative Claim with respect to which notice has been properly filed and served pursuant to Section 3.2(a) of this Plan shall become an Allowed Administrative Claim if no

objection is filed within thirty (30) days after the later of (i) the Effective Date, (ii) the date of service of the applicable notice of Administrative Claim, or (iii) such later date as may be (a) agreed to by the holder of such Administrative Claim or (b) approved by the Bankruptcy Court on motion of a party in interest, without notice or a hearing. If an objection is filed within such thirty (30) day period (or any extension thereof) and is not otherwise resolved, the Administrative Claim shall become an Allowed Administrative Claim only to the extent allowed by Final Order. For the avoidance of doubt, any claim by the Stalking Horse Bidder for the Break-Up Fee or Expense Reimbursement shall be deemed an Allowed Administrative Expense Claim in accordance with the Bid Procedures Order, and the Stalking Horse Bidder shall not be required to file any notice of an Administrative Claim in accordance with Section 3.2(a) of this Plan or any other proof of claim or administrative expense in respect of any claim for the Break-Up Fee or Expense Reimbursement.

(c) Payment of Allowed Administrative Claims

On the Plan Distribution Date, each holder of an Allowed Administrative Claim shall receive, (i) the amount of such holder's Allowed Administrative Claim in one payment of Plan Consideration in the form of Cash (to the extent not previously paid by the LP Debtors or (ii) such other treatment as may be agreed upon in writing by (a) the LP Debtors, and (b) such holder; provided, that such treatment shall not provide a recovery to such holder having a present value as of the Effective Date in excess of such holder's Allowed Administrative Claim; provided, further, that an Administrative Claim representing a liability incurred in the ordinary course of business of any of the LP Debtors may be paid by the respective LP Debtor in the ordinary course of business; provided, further, that the Break-Up Fee and Expense Reimbursement shall be paid in accordance with the terms of the Stalking Horse Agreement and Bid Procedures Order; and provided, further, that any Allowed Administrative Claim accrued or incurred prior to the Effective Date, but not paid on or prior to the Effective Date, shall be paid from the reserve established pursuant to Section 9.5(b) of this Plan (and, to the extent that amounts deposited in the reserve established pursuant to Section 9.5(b) of this Plan are insufficient to pay such Allowed Administrative Claim, the LP Debtors may withdraw Cash from the Wind Down Reserve to pay such Allowed Administrative Claim).

(d) Ad Hoc LP Secured Group Fee Claims and Plan Sponsor Fee Claims

In the case of the Ad Hoc LP Secured Group Fee Claims and Plan Sponsor Fee Claims, such Ad Hoc LP Secured Group Fee Claims and Plan Sponsor Fee Claims will be paid in full in Plan Consideration in the form of Cash on the Effective Date for all reasonable fees and expenses incurred up to the Effective Date (to the extent not previously paid by the LP Debtors), subject to the LP Debtors' prior receipt of invoices and reasonable documentation in connection therewith and without the requirement to file a Fee Application with the Bankruptcy Court. In the event that the LP Debtors dispute all or a portion of the Ad Hoc LP Secured Group Fee Claims or Plan Sponsor Fee Claims, the LP Debtors shall pay the undisputed amount of such Ad Hoc LP Secured Group Fee Claims or Plan Sponsor Fee Claims (as applicable), and segregate the remaining portion of such Ad Hoc LP Secured Group Fee Claims or Plan Sponsor Fee Claims (as applicable) until such dispute is resolved by the parties or by the Bankruptcy Court.

3.3. Treatment of Fee Claims

(a) Time for Filing Fee Claims

Each Professional Person who holds or asserts a Fee Claim against the LP Debtors shall be required to file with the Bankruptcy Court, and serve on all parties required to receive notice, a final Fee Application no later than forty (40) days after the Effective Date or such other date as may be fixed by the Bankruptcy Code. **The failure to timely file and serve such final Fee Application shall result in the Fee Claim being forever barred and discharged.**

(b) Allowance of Fee Claims

A Fee Claim in respect of which a Fee Application has been properly filed and served pursuant to Section 3.3(a) of this Plan shall become an Allowed Fee Claim only to the extent allowed by Final Order.

(c) Treatment of Fee Claims

Each holder of an Allowed Fee Claim shall receive, in full satisfaction of such Allowed Fee Claim, (i) on the date such Fee Claim becomes an Allowed Fee Claim, or as soon thereafter as is practicable, Plan Consideration in the form of Cash in an amount equal to such Allowed Fee Claim (less any amounts previously paid on account of such Fee Claim by the LP Debtors) or (ii) such other treatment as may be agreed to by such holder of an Allowed Fee Claim; provided, that such treatment shall not provide a recovery to such holder having a present value as of the Effective Date in excess of such holder's Allowed Fee Claim; provided, further, that any Allowed Fee Claim accrued or incurred prior to the Effective Date, but not paid on or prior to the Effective Date, shall be paid from the reserve established pursuant to Section 9.5(b) of this Plan (and, to the extent that amounts deposited in the reserve established pursuant to Section 9.5(b) of this Plan are insufficient to pay such Allowed Fee Claim, the LP Debtors may withdraw Cash from the Wind Down Reserve to pay such Allowed Fee Claim).

3.4. Treatment of U.S. Trustee Fees

The Disbursing Agent, on behalf of each of the LP Debtors, shall pay all outstanding U.S. Trustee Fees of such LP Debtor on an ongoing basis on the later of: (i) the Effective Date; and (ii) the date such U.S. Trustee Fees become due, until such time as a final decree is entered closing the applicable Chapter 11 Case or the applicable Chapter 11 Case is converted or dismissed, or the Bankruptcy Court orders otherwise. Any deadline for filing Administrative Claims shall not apply to U.S. Trustee Fees.

3.5. Treatment of Priority Tax Claims

Each holder of an Allowed Priority Tax Claim shall receive, in full satisfaction of such Allowed Priority Tax Claim: (a) Plan Consideration in the form of Cash in the amount of such Allowed Priority Tax Claim (to the extent not previously paid by the LP Debtors) on the later of (i) the applicable Plan Distribution Date and (ii) as soon as practicable after such Priority Tax Claim becomes an Allowed Priority Tax Claim or (b) such other treatment as may be agreed to by such holder of an Allowed Priority Tax Claim; provided, that such treatment shall not provide

a recovery to such holder having a present value as of the Effective Date in excess of such holder's Allowed Priority Tax Claim.

ARTICLE IV.
CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

4.1. Classification/Impairment of Claims and Equity Interests

The following table designates the Classes of Claims and Equity Interests, and specifies which Classes are: (i) impaired or unimpaired by this Plan; (ii) entitled to vote to accept or reject this Plan in accordance with section 1126 of the Bankruptcy Code; and (iii) deemed to accept this Plan pursuant to section 1126(f) of the Bankruptcy Code.

Class	Designation	Impairment	Entitled to Vote
Class 1	LP Other Priority Claims	No	No (deemed to accept)
Class 2	LP Other Secured Claims	No	No (deemed to accept)
Class 3	Prepetition LP Facility Claims	Yes	Yes
Class 4	LP General Unsecured Claims	Yes	Yes
Class 5	Existing LP Preferred Units Equity Interests	Yes	Yes
Class 6	LP Common Equity Interests	Yes	Yes

4.2. Separate Classification of LP Other Secured Claims

LP Other Secured Claims have been classified together for each LP Debtor solely for purposes of describing treatment under the Plan. Each LP Other Secured Claim, to the extent secured by a Lien on Collateral different than that securing any other LP Other Secured Claim, shall be treated as being in a separate sub-Class for the purpose of receiving Plan Distributions.

ARTICLE V.
TREATMENT OF CLASSIFIED CLAIMS AND EQUITY INTERESTS

5.1. Class 1 – LP Other Priority Claims

(a) Treatment: The legal, equitable and contractual rights of the holders of LP Other Priority Claims are unaltered by this Plan. Except to the extent that a holder of an Allowed LP Other Priority Claim agrees to different treatment, on the applicable Plan Distribution Date, each holder of an Allowed LP Other Priority Claim shall receive Plan Consideration in the form of Cash in an amount equal to such Allowed Claim.

(b) Voting: The LP Other Priority Claims are not impaired Claims. In accordance with section 1126(f) of the Bankruptcy Code, the holders of LP Other Priority Claims are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject the Plan, and the votes of such holders will not be solicited with respect to such Allowed LP Other Priority Claims.

5.2. Class 2 – LP Other Secured Claims

(a) Treatment: The legal, equitable and contractual rights of the holders of LP Other Secured Claims are unaltered by this Plan. Except to the extent that a holder of an Allowed LP Other Secured Claim agrees to different treatment, on the applicable Plan Distribution Date, each holder of an Allowed LP Other Secured Claim shall receive, at the election of the Plan Sponsors or LP Debtors, as applicable: (i) Plan Consideration in the form of Cash in an amount equal to such Allowed LP Other Secured Claim; or (ii) such other treatment that will render the LP Other Secured Claim unimpaired pursuant to section 1124 of the Bankruptcy Code. Each holder of an Allowed LP Other Secured Claim shall retain the Liens securing its Allowed LP Other Secured Claim as of the Effective Date until (A) full and final payment of such Allowed LP Other Secured Claim is made as provided herein or (B) the Collateral securing such Liens is sold and such Liens shall attach to the respective proceeds of such sale to the extent attributable to such Collateral and with the same validity, priority, force and effect. Upon the full payment or other satisfaction of such Claims in accordance with the Plan, the Liens securing such Allowed LP Other Secured Claim shall be deemed released, terminated and extinguished, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order or rule or the vote, consent, authorization or approval of any Person.

(b) Voting: The LP Other Secured Claims are not impaired Claims. In accordance with section 1126(f) of the Bankruptcy Code, the holders of LP Other Secured Claims are conclusively presumed to accept this Plan and are not entitled to vote to accept or reject the Plan, and the votes of such holders will not be solicited with respect to such Allowed LP Other Secured Claims.

(c) Deficiency Claims: To the extent that the value of the Collateral securing each LP Other Secured Claim is less than the allowed amount of such LP Other Secured Claim, the undersecured portion of such Allowed Claim shall be treated for all purposes under this Plan as an Allowed LP General Unsecured Claim and shall be classified as an LP General Unsecured Claim.

5.3. Class 3 – Prepetition LP Facility Claims

(a) Allowance: On the Confirmation Date, the Prepetition LP Facility Claims shall be Allowed Claims.

(b) Treatment: In full satisfaction, settlement, release and discharge of, and in exchange for, Prepetition LP Facility Claims, and except to the extent that a holder of an Allowed Prepetition LP Facility Claim agrees to less favorable treatment, each holder of an Allowed Prepetition LP Facility Claim shall receive, on the Funding Date, its Pro Rata Share of Plan Consideration remaining after (A) establishment of an appropriate reserve on the Funding Date for the payment of Allowed Unclassified Claims pursuant to Article III, (B) establishment

of an appropriate reserve on the Funding Date for the payment of Allowed LP Other Priority Claims and Allowed LP Other Secured Claims pursuant to Sections 5.1 and 5.2 of this Plan, respectively, and (C) establishment of an appropriate reserve for the payment of the LP General Unsecured Claims Distribution; provided, that, in the event that the Stalking Horse Bid is selected as the Successful Bid and the Funding Date occurs, the Plan Consideration distributed to holders of Allowed Prepetition LP Facility Claims, in full satisfaction, settlement, release and discharge of, and in exchange for, such Claims, shall equal $2,102,000,000 in the aggregate; and provided, further, in no event, shall any distribution to a holder of an Allowed Prepetition LP Facility Claim pursuant to this Section 5.3(b) be in excess of 100% of the amount of such holder's Allowed Prepetition LP Facility Claim.

(c) Voting: The Prepetition LP Facility Claims are impaired Claims. Holders of such Claims are entitled to vote to accept or reject the Plan, and the votes of such holders will be solicited with respect to such Prepetition LP Facility Claims.

5.4. Class 4 – LP General Unsecured Claims

(a) Treatment: In complete and final satisfaction, settlement, release, and discharge of, and in exchange for, LP General Unsecured Claims, and except to the extent that a holder of an Allowed LP General Unsecured Claim agrees to less favorable treatment, on the applicable Plan Distribution Date, each holder of an Allowed LP General Unsecured Claim shall receive such holder's Pro Rata Share of (A) the LP General Unsecured Claims Distribution, and (B) to the extent Allowed LP General Unsecured Claims exceed the LP General Unsecured Claims Distribution, Plan Consideration remaining, if any, after payment in full of all Allowed Unclassified Claims, Allowed LP Other Priority Claims, Allowed LP Other Secured Claims, and Allowed Prepetition LP Facility Claims; provided, in no event shall such distribution(s) be in excess of 100% of the amount of its Allowed LP General Unsecured Claim.

(b) Voting: The LP General Unsecured Claims are impaired Claims. Holders of such Claims are entitled to vote to accept or reject the Plan, and the votes of such holders will be solicited with respect to such LP General Unsecured Claims.

5.5. Class 5 – Existing LP Preferred Units Equity Interests

(a) Treatment: In complete and final satisfaction, settlement, release, and discharge of, and in exchange for, Existing LP Preferred Units Equity Interests, on the Effective Date, the Existing LP Preferred Units Equity Interests shall be cancelled and, except to the extent that a holder of an Allowed Existing LP Preferred Units Equity Interest agrees to less favorable treatment, on the applicable Plan Distribution Date, each holder of an Existing LP Preferred Units Equity Interest shall receive its Pro Rata Share of Plan Consideration remaining, if any, after payment in full of the Allowed LP General Unsecured Claims, including the amount (if any) of the LP General Unsecured Claims Distribution in excess of all Allowed LP General Unsecured Claims; provided, in no event shall such distribution(s) be in excess of 100% of the amount of its Allowed Existing LP Preferred Units Equity Interest.

(b) Voting: The Existing LP Preferred Units Equity Interests are impaired Equity Interests. Holders of such Equity Interests are entitled to vote to accept or reject the Plan, and

the votes of such holders will be solicited with respect to such Existing LP Preferred Units Equity Interests.

5.6. Class 6 – LP Common Equity Interests

(a) Treatment: In complete and final satisfaction, settlement, release, and discharge of, and in exchange for, LP Common Equity Interests, on the Effective Date, LP Common Equity Interests shall be cancelled (except as set forth in Section 7.14 of this Plan) and, on the applicable Plan Distribution Date, each holder of an LP Common Equity Interest shall receive its Pro Rata Share of the Plan Consideration remaining, if any, after payment in full of the Existing LP Preferred Units Equity Interests.

(b) Voting: The LP Common Equity Interests are impaired Equity Interests. Holders of such Equity Interests are entitled to vote to accept or reject the Plan, and the votes of such holders will be solicited with respect to such LP Common Equity Interests.

ARTICLE VI.
ACCEPTANCE OR REJECTION OF THE PLAN

6.1. Classes of Claims Deemed to Accept the Plan

Class 1 – LP Other Priority Claims and Class 2 – LP Other Secured Claims are unimpaired under the Plan and are therefore deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code.

6.2. Class Acceptance Requirement

A Class of Claims shall have accepted the Plan if it is accepted by the holders of at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims in such Class that have voted on the Plan. A Class of Equity Interests shall have accepted the Plan if it is accepted by holders of at least two-thirds (2/3) in amount of the Equity Interests in such Class that actually vote on the Plan.

6.3. Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code or "Cramdown"

If all applicable requirements for confirmation of the Plan are met as set forth in section 1129(a) of the Bankruptcy Code, except subsection (8) thereof, the Plan shall be treated as a request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code, notwithstanding the failure to satisfy the requirements of section 1129(a)(8), on the basis that the Plan is fair and equitable and does not discriminate unfairly with respect to each Class of Claims or Equity Interests that is impaired under, and has not accepted, the Plan.

6.4. Elimination of Vacant Classes

Any Class of Claims that does not have a holder of an Allowed Claim or a Claim 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.

6.5. Voting Classes; Deemed Acceptance by Non-Voting Classes

If a Class contains Claims or Equity Interests eligible to vote and no holders of Claims or Equity Interests eligible to vote in such Class vote to accept or reject the Plan, the Plan shall be deemed accepted by the holders of such Claims or Equity Interests in such Class.

ARTICLE VII.
MEANS FOR IMPLEMENTATION OF THE PLAN

7.1. Plan Funding

Plan Distributions shall be made from Plan Consideration (which excludes, for the avoidance of doubt, Cash in the Wind Down Reserve) as of the Funding Date. Such Plan Consideration shall be used (i) first, to satisfy or establish an appropriate reserve for satisfaction of Allowed Unclassified Claims, Allowed LP Other Priority Claims and Allowed LP Other Secured Claims in Cash (or, with respect to LP Other Secured Claims, as otherwise permitted under Section 5.2 of this Plan); (ii) second, to pay or establish an appropriate reserve for payment of the LP General Unsecured Claims Distribution in Cash; and (iii) third, to satisfy the LP Debtors' other obligations with respect to payment of Allowed Claims and Allowed Equity Interests under this Plan, in accordance with the terms hereof. The issuance or delivery of any Plan Distributions that are securities shall be exempt from registration under applicable securities laws pursuant to section 1145(a) of the Bankruptcy Code.

On the Funding Date, Cash from the LP Sale Proceeds in an amount to be (a) mutually agreed by the Plan Sponsors and the LP Debtors or (b) ordered by the Bankruptcy Court, shall be deposited in a segregated account to be held by the LP Debtors (the "***Wind Down Reserve***"). Although the Wind Down Reserve will be funded on the Funding Date, the Cash deposited in the Wind Down Reserve shall be used to provide funding for reasonable expenses incurred or accrued by the LP Debtors on or after the Effective Date that are directly related to the Wind Down, including, without limitation, professional fees and expenses incurred by the LP Debtors in connection therewith. To the extent that amounts deposited in the Wind Down Reserve are insufficient to pay such expenses, the LP Debtors may withdraw Cash from the Disputed Claims Reserves established under Section 9.5 of this Plan, in an amount not to exceed $1,000,000. For the avoidance of doubt, the Cash deposited in the Wind Down Reserve shall not be used to provide funding for the LP Debtors' working capital needs (*i.e.*, operating expenditures and capital expenditures) on and after the Funding Date, which obligations shall be the responsibility of the Purchaser pursuant to, and subject in all respects to the terms of, the Asset Purchase Agreement. For the further avoidance of doubt, the Purchaser shall not be responsible for the payment of any expenses associated with the Wind Down in the event that the Wind Down Reserve is insufficient to pay such expenses.

After funding the Wind Down Reserve, the remaining LP Sale Proceeds shall be deposited in the Disbursement Account as set forth in Section 7.3.

The Confirmation Order shall provide that, pursuant to sections 105(a), 1123(a)(5), 1123(b)(4), 1141, and 1142(b), upon the occurrence of the Funding Date, the LP Debtors shall pay all Allowed Prepetition LP Facility Claims as set forth in the Plan. The Plan shall constitute a motion for approval of such payment. Thereafter, on motion of the LP Debtors or the Plan Sponsors, and after notice and a hearing, the Bankruptcy Court may enter additional Advance Payment Orders as it deems appropriate.

7.2. The LP Sale

The Confirmation Order shall approve a sale of the Acquired Assets under sections 105(a), 1123(a)(5), 1123(b)(4), 1129(b)(2)(A), 1141, 1142(b), 1145 and 1146(a) of the Bankruptcy Code pursuant to a sale process under the terms and conditions of the Asset Purchase Agreement and the Bid Procedures Order free and clear of any Claims, Liens, interests, or encumbrances. The LP Sale Proceeds shall include a Cash component in an amount sufficient for the Disbursing Agent to make all Plan Distributions required to be in the form of Cash, and for the LP Debtors to fund the Wind Down Reserve and Disputed Claims Reserves, and to pay all amounts due to be paid to the Stalking Horse Bidder pursuant to the terms of the Bid Procedures Order in the event the Stalking Horse Bidder is not the Purchaser, including the Break-Up Fee and Expense Reimbursement. Upon entry of the Confirmation Order, the LP Debtors shall be (a) authorized to, among other things, sell, assume, assign and/or transfer the Acquired Assets, subject to applicable law and the terms and conditions of the Asset Purchase Agreement (including, without limitation, receipt of the Specified Regulatory Approvals to the extent applicable), and take any and all actions necessary to consummate the LP Sale; and (b) authorized and directed to execute the Asset Purchase Agreement (to the extent not executed as of the Confirmation Date). Actions necessary to consummate the LP Sale may include, among others, (a) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any Asset, property, rights, liability, duty or obligation on terms consistent with the terms of the Asset Purchase Agreement and the Plan and having such other terms to which the LP Debtors and the Purchaser may agree and (b) all other actions that are necessary and appropriate in connection with such transactions, including making such filings or recordings that may be required by or appropriate under applicable state law. Nothing in the Plan or Confirmation Order authorizes the transfer or assignment of the Acquired Assets to the Purchaser (or, if applicable, the Alternative Purchaser) without the Purchaser's (or, if applicable, the Alternative Purchaser's) compliance with applicable non-bankruptcy laws regarding the transfer, assignment, or ownership of such Assets.

7.3. Distribution Account

The Distribution Account shall be established to receive on the Funding Date the Plan Consideration. Plan Distributions to be made pursuant to the Plan or an Advance Payment Order shall be made from the Distribution Account. Upon the transfer of the Plan Consideration into the Distribution Account, the LP Debtors and the Purchaser will have no interest in, or with respect to, the Plan Consideration in the Distribution Account, except as otherwise provided herein or the Confirmation Order. Upon the distribution of all Plan Consideration in the Distribution Account, the Distribution Account shall be extinguished.

7.4. Cancellation of Credit Agreements, Existing Securities and Agreements

Except for the purpose of evidencing a right to distribution under this Plan, and except as otherwise set forth herein, on the Effective Date all agreements, instruments, and other documents evidencing any Claim or Equity Interest and any rights of any holder in respect thereof, shall be deemed cancelled, discharged and of no force or effect. Notwithstanding the foregoing, the applicable provisions of the Prepetition LP Facility Credit Documents shall continue in effect solely for the purposes of permitting the Prepetition LP Facility Agent and/or the Disbursing Agent to make distributions pursuant to this Plan on account of Allowed Prepetition LP Facility Claims and to effectuate any charging Liens permitted under the Prepetition LP Facility Credit Agreement, and to assert any rights the holders of Prepetition LP Facility Claims may have with respect to any guaranty of such Prepetition LP Facility Claims by a Person other than an LP Debtor. Except as otherwise set forth herein, the holders of or parties to such cancelled instruments, securities and other documentation will have no rights arising from or relating to such instruments, securities and other documentation or the cancellation thereof, except the rights provided for pursuant to the Plan. Except as provided pursuant to this Plan, the Prepetition LP Facility Agent and its agents, successors and assigns shall be discharged of all of their obligations associated with the Prepetition LP Facility Credit Documents upon payment in full of the Prepetition LP Facility Claims.

7.5. Comprehensive Settlement of Claims and Controversies

Pursuant to Bankruptcy Rule 9019 and in consideration for the distributions and other benefits provided under this Plan, the provisions of this Plan will constitute a good faith compromise and settlement of all claims or controversies relating to the rights (including any subordination rights) that a holder of a Claim or Equity Interest may have with respect to any Allowed Claim or Allowed Equity Interest or any distribution to be made pursuant to this Plan on account of any Allowed Claim or Allowed Equity Interest. The entry of the Confirmation Order will constitute the Bankruptcy Court's approval, as of the Effective Date, of the compromise or settlement of all such claims or controversies and the Bankruptcy Court's finding that all such compromises or settlements are: (a) in the best interests of the LP Debtors and their respective Estates and property, and of holders of Claims or Equity Interests; and (b) fair, equitable and reasonable.

7.6. Continued Corporate Existence and Vesting of Assets

(a) Except as otherwise provided in this Plan, the LP Debtors will continue to exist after the Effective Date as separate corporate entities, in accordance with the applicable laws of the respective jurisdictions in which they are incorporated or organized, for the purposes of satisfying their obligations under the Plan, including making or assisting the Disbursing Agent in making distributions as required under the Plan and effectuating the Wind Down. On or after the Effective Date, each LP Debtor, in its sole and exclusive discretion, and subject to receipt of any required governmental or regulatory approvals (if any), may take such action as permitted by applicable law as such LP Debtor may determine is reasonable and appropriate, including, but not limited to, causing: (i) an LP Debtor to be merged into another LP Debtor, or its subsidiary or Affiliate; (ii) an LP Debtor to be dissolved without the necessity for any other or further actions to be taken by or on behalf of such dissolving LP Debtor or any payments to be made in

connection therewith subject to the filing of a certificate of dissolution with the appropriate governmental authorities; (iii) the legal name of an LP Debtor to be changed; or (iv) the closing of an LP Debtor's Chapter 11 Case on the Effective Date or any time thereafter.

(b) On and after the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, and except as otherwise provided in this Plan or in the Confirmation Order, all property of the LP Debtors' Estates (other than the Plan Consideration), including all claims, rights and Causes of Action shall vest in each respective LP Debtor free and clear of all Claims, Liens, charges, other encumbrances and interests. In addition, on and after the Effective Date, subject to the terms and conditions of this Plan (including, without limitation, Article IX hereof), the LP Debtors shall effectuate the Wind Down of the LP Debtors' Estates, and may use, acquire and dispose of property and prosecute, compromise or settle any Claims (including any Administrative Claims) and Causes of Action (in each case that are not Acquired Assets or Assumed Liabilities), as well as disputes relating to allowance of any Equity Interest, without supervision of or approval by the Bankruptcy Court and free and clear of any restrictions of the Bankruptcy Code or the Bankruptcy Rules other than restrictions expressly imposed by this Plan or the Confirmation Order. Without limiting the foregoing, the LP Debtors may pay, from the proceeds of the Wind Down Reserve, the charges that they incur on or after the Effective Date for Professional Persons' fees, disbursements, expenses or related support services without application to the Bankruptcy Court.

7.7. Existing Officers; Existing Boards

(a) Existing Officers. The Existing Officers shall continue in their positions with the LP Debtors on and after the Effective Date, in accordance with their respective existing employment agreements with the LP Debtors (to the extent assumed by the LP Debtors in accordance with Section 10.1 of this Plan) or any new employment agreement entered into by the LP Debtors and the applicable Existing Officer on or prior to the Effective Date. The Existing Officers shall be entitled to indemnification for claims, losses, expenses and liabilities arising on or after the Effective Date pursuant to the terms and conditions of the articles of incorporation, by-laws, or similar organizational documents of the applicable LP Debtor in place as of the Effective Date.

(b) Existing Boards. The members of the Existing Boards shall continue in their positions with the LP Debtors on and after the Effective Date. The members of the Existing Boards shall be entitled to indemnification for claims, losses, expenses and liabilities arising on or after the Effective Date pursuant to the terms and conditions of the articles of incorporation, by-laws, or similar organizational documents of the applicable LP Debtor in place as of the Effective Date.

7.8. Corporate Governance

From and after the Effective Date, each of the LP Debtors shall be managed and administered by the Existing Boards, which shall have full authority to administer the provisions of the Plan and the Asset Purchase Agreement, subject to the terms of the Asset Purchase Agreement. Each Existing Board may, subject to the terms of the Asset Purchase Agreement, authorize its applicable Existing Officers to take any actions contemplated by this Plan or the Asset Purchase Agreement on behalf of the applicable LP Debtor.

7.9. Wind Down of the LP Debtors and Their Estates

(a) The Existing Boards shall oversee the Wind Down, subject to the terms and conditions of the Asset Purchase Agreement and this Plan, and shall make distributions to, and otherwise hold all property of the LP Debtors' Estates for the benefit of, holders of Allowed Claims and Allowed Equity Interests consistent and in accordance with the Plan and the Confirmation Order. The LP Debtors shall not be required to post a bond in favor of the United States.

(b) Following the Effective Date, the LP Debtors shall not engage in any business activities or take any actions, except those necessary to effectuate the Plan and the Wind Down. On and after the Effective Date, the LP Debtors may take such action and settle and compromise Claims or Equity Interests without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, other than any restrictions expressly imposed by the Plan, the Confirmation Order and/or the Asset Purchase Agreement (including, without, limitation, Article IX of this Plan).

7.10. Power and Authority of the Existing Boards

The Existing Boards shall have the power and authority to perform the following acts on behalf of the LP Debtors, in addition to any powers granted by law or conferred by any other provision of the Plan and orders of the Bankruptcy Court, but in each case subject to the terms and conditions of the Asset Purchase Agreement and this Plan (including, without limitation, Article IX hereof): (i) take all steps and execute all instruments and documents necessary to make or assist the Disbursing Agent in making distributions to holders of Allowed Claims and Allowed Equity Interests; (ii) object to Claims and Equity Interests as provided in this Plan and prosecute such objections; (iii) resolve, compromise and/or settle any objections to the amount, validity, priority, treatment, allowance or priority of Claims, Administrative Claims, or Equity Interests; (iv) comply with this Plan and the obligations hereunder; (v) if necessary, employ, retain, or replace professionals to assist the LP Debtors in compliance with their obligations under the Asset Purchase Agreement and/or the Wind Down; (vi) establish, replenish or release reserves as provided in this Plan, as applicable; (vii) take all actions necessary or appropriate to enforce the LP Debtors' rights under the Asset Purchase Agreement and any related document and to fulfill, comply with or otherwise satisfy the LP Debtors' covenants, agreements and obligations under the Asset Purchase Agreement and any related document; (viii) make all determinations on behalf of the LP Debtors under the Asset Purchase Agreement; (ix) prepare and file applicable tax returns for any of the LP Debtors; (x) liquidate any of the Retained Assets; (xi) deposit the LP Debtors' Estate funds, draw checks and make disbursements consistent with the terms of this Plan; (xii) purchase or continue insurance protecting the LP Debtors and property of the LP Debtors' Estates; (xiii) seek entry of a final decree in any of the Chapter 11 Cases at the appropriate time; (xiv) prosecute, resolve, compromise and/or settle any litigation; (xv) abandon in any commercially reasonable manner, including abandonment or donation to a charitable organization (as such term is described in Internal Revenue Code section 501(c)(3) (whose contributions are deductible under Internal Revenue Code section 170)) of the LP Debtors' choice, any LP Debtors' Estate Assets that are of no material benefit; and (xvi) take such other action as the LP Debtors may determine to be necessary or desirable to carry out the purpose of this Plan and/or consummation of the LP Sale in accordance with the Asset Purchase Agreement.

7.11. Assumed Liabilities

In accordance with the terms of the Asset Purchase Agreement, upon and after the Closing of the LP Sale pursuant to the Asset Purchase Agreement, the Purchaser (or, if applicable, the Alternative Purchaser) shall be responsible for payment and satisfaction of all Assumed Liabilities. Upon and after the Closing of the LP Sale pursuant to the Asset Purchase Agreement, all Persons holding Claims and Equity Interests arising out of or concerning an Assumed Liability, shall be forever barred, estopped and permanently enjoined from asserting against the LP Debtors and any of their property, such Claims or Equity Interests, as applicable. The Purchaser (and, if applicable, the Alternative Purchaser) is not assuming, and shall not become liable for the payment or performance of, any liabilities or other obligations of any of the LP Debtors of any nature whatsoever, whether accrued or unaccrued, other than the Assumed Liabilities.

7.12. Cancellation of Certain Existing Security Interests

Upon the full payment or other satisfaction of an Allowed LP Other Secured Claim, or promptly thereafter, the holder of such Allowed LP Other Secured Claim shall deliver to the LP Debtors any Collateral or other property of the LP Debtors held by such holder, and any termination statements, instruments of satisfactions, or releases of all security interests with respect to its Allowed LP Other Secured Claim that may be reasonably required in order to terminate any related financing statements, mortgages, mechanic's liens, or lis pendens; provided, however, any such Collateral that is an Acquired Asset received by the LP Debtors from the holder of such Allowed Claim shall be delivered promptly to the Purchaser (or, if applicable, the Alternative Purchaser) following the Closing.

7.13. Corporate Action

(a) The LP Debtors shall serve on the U.S. Trustee quarterly reports of the disbursements made until such time as a final decree is entered closing the applicable Chapter 11 Case or the applicable Chapter 11 Case is converted or dismissed, or the Bankruptcy Court orders otherwise. The deadline for filing Administrative Claims set forth in Section 3.2(a) of this Plan shall not apply to fees payable pursuant to section 1930 of title 28 of the United States Code.

(b) Entry of the Confirmation Order shall establish conclusive corporate and other authority (and evidence of such corporate and other authority) required for each of the LP Debtors to undertake any and all acts and actions required to implement or contemplated by the Plan and Confirmation Order (including, without limitation, the execution and delivery of the Asset Purchase Agreement), and such acts and actions shall be deemed to have occurred and shall be in effect pursuant to applicable non-bankruptcy law and the Bankruptcy Code, without the need for board or shareholder vote and without any requirement of further action by the stockholders, directors, partners or managers of the LP Debtors (if any).

(c) On the Confirmation Date, the Existing Boards are authorized and directed to execute and/or deliver, as the case may be, the agreements, documents and instruments contemplated by the Plan, the Plan Supplement and the Asset Purchase Agreement and any

schedules, exhibits or other documents attached thereto or contemplated thereby in the name and on behalf of the LP Debtors.

(d) Upon entry of a final decree in each Chapter 11 Case, if not previously dissolved, the applicable LP Debtor shall be deemed dissolved and wound up without any further action required by such LP Debtor.

7.14. Intercompany Equity Interests

No Equity Interest held by an LP Debtor in another LP Debtor shall be cancelled by the terms of this Plan, and all such Equity Interests shall continue in place following the Effective Date solely for the purpose of maintaining the existing corporate structure of the LP Debtors. Equity Interests held by any Inc. Entity in any LP Debtor shall be cancelled in accordance with Section 5.6 of this Plan; provided, that, no such Equity Interests shall be cancelled to the extent that the cancellation of such Equity Interests would cause the dissolution or winding up of any LP Debtor prior to the consummation of its Wind Down in accordance with this Plan, in which case such Equity Interests shall be cancelled immediately upon the consummation of, and pursuant to, such Wind Down.

ARTICLE VIII.
PLAN DISTRIBUTION PROVISIONS

8.1. The Disbursing Agent

All Plan Distributions under this Plan shall be made by the Disbursing Agent as provided herein, or as set forth in an Advance Payment Order. The Disbursing Agent shall be empowered to: (a) take all steps and execute all instruments and documents necessary to make Plan Distributions to holders of Allowed Claims and Equity Interests; (b) comply with the Plan and the obligations thereunder; (c) make periodic reports regarding the status of distributions under the Plan to the holders of Allowed Claims that are outstanding at such time, with such reports to be made available upon request to the holder of any Disputed Claim; and (d) exercise such other powers as may be vested in the Disbursing Agent pursuant to the Plan, the Plan Documents, the Confirmation Order, or any other order of the Bankruptcy Court. Except as otherwise ordered by the Bankruptcy Court, and subject to the written agreement of the LP Debtors if the Disbursing Agent is a Person other than the LP Debtors, the amount of any reasonable documented fees and expenses incurred by the Disbursing Agent on or after the Effective Date (including, without limitation, taxes) and any reasonable compensation and expense reimbursement Claims (including, without limitation, reasonable attorney and other professional fees and expenses) made by the Disbursing Agent shall be paid in Cash by the LP Debtors from the Wind Down Reserve.

8.2. Postpetition Interest

Postpetition interest shall be paid on Allowed Prepetition LP Facility Claims as set forth in this Plan and the Prepetition LP Facility Credit Documents. In addition, postpetition interest and/or dividends shall be paid on Allowed Existing LP Preferred Units Equity Interests to the extent that (a) there is sufficient Plan Consideration to make a Plan Distribution to holders of LP Common Equity Interests after giving effect to all other Plan Distributions contemplated by this

Plan and (b) payment of such amounts is permitted under applicable bankruptcy or non-bankruptcy law. With respect to all Claims and Equity Interests other than Allowed Prepetition LP Facility Claims and Allowed Existing LP Preferred Units Equity Interests, postpetition interest shall not accrue or be paid, and no holder of a Claim or Equity Interest shall be entitled to interest accruing on such Claim or Equity Interest after the Petition Date, except as otherwise specifically provided for in the Confirmation Order or other order of the Bankruptcy Court, or required by applicable bankruptcy or non-bankruptcy law.

8.3. Timing of Plan Distributions

Unless otherwise provided herein, any distributions and deliveries to be made hereunder shall be made on the applicable Plan Distribution Date or as soon thereafter as is practicable, provided that the LP Debtors or the Disbursing Agent, as applicable, may utilize periodic distribution dates to the extent appropriate and not otherwise inconsistent with the Plan. In the event that any payment or act under this Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

8.4. Distribution Record Date

(a) As of the close of business on the Distribution Record Date, the various lists of holders of Claims and Equity Interests in each of the Classes, as maintained by the LP Debtors, or their agents, shall be deemed closed and there shall be no further changes in the record holders of any of the Claims and Equity Interests. Neither the LP Debtors nor the Disbursing Agent shall have any obligation to recognize any transfer of Claims or Equity Interests occurring after the close of business on the Distribution Record Date. Additionally, with respect to payment of any Cure Costs or any Cure Disputes in connection with the assumption and/or assignment of the LP Debtors' executory contracts and leases, the LP Debtors shall have no obligation to recognize or deal with any party other than the non-LP Debtor party to the underlying executory contract or lease, even if such non-LP Debtor party has sold, assigned or otherwise transferred its Claim for a Cure Cost.

(b) Plan Distributions to be made on account of Allowed Prepetition LP Facility Claims shall be made by the Disbursing Agent to the Prepetition LP Facility Agent, who shall distribute such Plan Distributions to holders of Allowed Prepetition LP Facility Claims in accordance with the terms of the Prepetition LP Facility Credit Agreement. The Prepetition LP Facility Agent shall cooperate and assist the Disbursing Agent in connection with such distributions to the holders of Allowed Prepetition LP Facility Claims. The LP Debtors, through the Disbursing Agent, shall pay the Prepetition LP Facility Agent's reasonable documented fees and expenses incurred in providing any such cooperation or assistance from the Wind Down Reserve.

(c) Plan Distributions to be made on account of Allowed Claims and Equity Interests other than Prepetition LP Facility Claims shall be made directly by the Disbursing Agent to the holders of such Claims and Equity Interests.

8.5. Address for Delivery of Plan Distributions/Unclaimed Plan Distributions

Subject to Bankruptcy Rule 9010, any Plan Distribution or delivery to a holder of an Allowed Claim or Equity Interest shall be made at the address of such holder as set forth in the latest-dated of the following actually held or received by the LP Debtors or the Disbursing Agent prior to the Effective Date: (a) the Schedules; (b) the Proof of Claim filed by such holder; (c) any notice of assignment filed with the Bankruptcy Court with respect to such Claim or Equity Interest pursuant to Bankruptcy Rule 3001(e); (d) any notice served by such holder giving details of a change of address; or (e) the transfer ledger in respect of the Existing LP Preferred Units Equity Interests and LP Common Equity Interests. If any Plan Distribution sent to the holder of a Claim or Equity Interest is returned to the Disbursing Agent as undeliverable, no Plan Distributions shall be made to such holder unless the Disbursing Agent is notified of such holder's then current address within one hundred and twenty (120) days after such Plan Distribution was returned. After such date, if such notice was not provided, such holder shall have forfeited its right to such Plan Distribution, and the undeliverable Plan Distribution shall revert to the Distribution Account. Upon such reversion, the Claim or Equity Interest of any holder or its successors with respect to such property shall be cancelled, discharged and forever barred notwithstanding any applicable federal or state escheat, abandoned or unclaimed property laws to the contrary.

8.6. Time Bar to Cash Payments

Checks issued in respect of Allowed Claims shall be null and void if not negotiated within ninety (90) days after the date of issuance thereof. Requests for reissuance of any voided check shall be made directly to the Disbursing Agent by the holder of the Allowed Claim to whom such check was originally issued. Any claim in respect of such a voided check shall be made within one hundred and twenty (120) days after the date of issuance of such check. If no request is made as provided in the preceding sentence, any claims in respect of such voided check shall be discharged and forever barred and such unclaimed Plan Distribution shall revert to the Distribution Account.

8.7. No Distribution in Excess of Amount of Allowed Claim

Notwithstanding anything to the contrary herein, no holder of an Allowed Claim shall, on account of such Allowed Claim, receive a Plan Distribution (of a value set forth herein) in excess of the allowed amount of such Claim plus postpetition interest on such Claim, to the extent interest is permitted under Section 8.2 of this Plan.

8.8. Setoffs and Recoupments

Each LP Debtor, or such entity's designee as instructed by such LP Debtor, may, pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, set off and/or recoup against any Allowed Claim (other than an Allowed Prepetition LP Facility Claim) or any Allowed Equity Interest, and the Plan Distributions on account of such Allowed Claim or Allowed Equity Interest, any and all claims, rights and Causes of Action that an LP Debtor or its successors may hold against the holder of such Allowed Claim or Allowed Equity Interest after the Effective Date; provided, however, that neither the failure to effect a setoff or recoupment

nor the allowance of any Claim or Equity Interest (other than an Allowed Prepetition LP Facility Claim) hereunder will constitute a waiver or release by an LP Debtor or its successor of any and all claims, rights and Causes of Action that an LP Debtor or its successor may possess against such holder; and provided, further, that any proposed setoff or recoupment of the LP Debtors' rights or Causes of Action against an Allowed Inc. Entity General Unsecured Claim shall be subject to Bankruptcy Court approval as a settlement of such Allowed Inc. Entity General Unsecured Claim pursuant to Section 9.3 of this Plan.

8.9. Fractional Cents and De Minimis Distributions

Notwithstanding any other provision of the Plan to the contrary, (i) no payment of fractions of cents will be made; and (ii) the Disbursing Agent shall not have any obligation to make a Plan Distribution that is less than or $40.00 in Cash. Whenever any payment of a fraction of a cent would otherwise be called for, the actual payment shall reflect a rounding down of such fraction to the nearest whole cent.

8.10. Manner of Payment Under the Plan

Unless the Person receiving a Plan Distribution agrees otherwise, any Plan Distribution to be made in Cash under the Plan shall be made, at the election of the Disbursing Agent, by check drawn on a domestic bank or by wire transfer from a domestic bank. Cash payments to foreign creditors may be, in addition to the foregoing, made at the option of the Disbursing Agent in such funds and by such means as are necessary or customary in a particular foreign jurisdiction. The issuance or delivery of any Plan Distribution that is a security shall be exempt from registration under applicable securities laws pursuant to section 1145(a) of the Bankruptcy Code.

8.11. Requirement to Give a Bond or Surety

The Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court and, in the event that the Disbursing Agent is so otherwise ordered, all costs and expenses of procuring any such bond or surety shall be borne by the applicable LP Debtor. Furthermore, any such Person required to give a bond shall notify the Bankruptcy Court and the U.S. Trustee in writing before terminating any such bond that is obtained.

8.12. Withholding and Reporting Requirements

In connection with this Plan and all distributions hereunder, the LP Debtors shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all Plan Distributions hereunder shall be subject to any such withholding and reporting requirements. The LP Debtors shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements, including, without limitation, liquidating a portion of any Plan Distribution to generate sufficient funds to pay applicable withholding taxes or establishing any other mechanisms the LP Debtors or the Disbursing Agent believe are reasonable and appropriate, including requiring a holder of a Claim or Equity Interest to submit appropriate tax and withholding certifications. Notwithstanding any other provision of this Plan: (a) each holder of an Allowed Claim and/or an Allowed Equity Interest that is to receive a distribution under this Plan shall have sole and

exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations on account of such distribution; and (b) no Plan Distributions shall be required to be made to or on behalf of such holder pursuant to this Plan if, after 120 days from the date of transmission of a written request to the holder of an Allowed Claim or Allowed Equity Interest, the LP Debtors do not receive a valid, completed IRS form from such holder of an Allowed Claim or Allowed Equity Interest, which is otherwise required for reporting purposes, and such holder shall be treated as if their Claims or Equity Interests had been disallowed.

8.13. Cooperation with Disbursing Agent

The LP Debtors and their Professional Persons shall use all commercially reasonable efforts to provide the Disbursing Agent (if an entity other than the LP Debtors) with the amount of Claims and Equity Interests and the identity and addresses of holders of Claims and Equity Interests, in each case, as set forth in the LP Debtors' books and records. The LP Debtors and their Professional Persons shall cooperate in good faith with the Disbursing Agent (if an entity other than the LP Debtors) to comply with any of its reporting and withholding requirements.

ARTICLE IX.
RESERVES AND PROCEDURES FOR RESOLVING DISPUTED CLAIMS

9.1. Objections to Claims

Other than with respect to Fee Claims (to which any party in interest may object) and Inc. Entity General Unsecured Claims (to which the Ad Hoc LP Secured Group or any member thereof may object), only the LP Debtors shall be entitled to object to Claims after the Effective Date. Any objections to Claims (other than Administrative Claims), shall be served and filed on or before the later of: (a) one-hundred twenty (120) days after the Effective Date; and (b) such other date as may be fixed by the Bankruptcy Court, whether fixed before or after the date specified in clause (a) hereof. Any Claims filed after the applicable bar date (including Inc. Entity General Unsecured Claims filed after the Inc. Entity General Unsecured Claims Bar Date), shall be deemed disallowed and expunged in their entirety without further order of the Bankruptcy Court or any action being required on the part of the LP Debtors unless the Person wishing to file such untimely Claim has received Bankruptcy Court authority to do so. Notwithstanding any authority to the contrary, an objection to a Claim shall be deemed properly served on the claimant if the objecting party effects service in any of the following manners: (i) in accordance with Federal Rule of Civil Procedure 4, as modified and made applicable by Bankruptcy Rule 7004; (ii) by first class mail, postage prepaid, on the signatory on the Proof of Claim as well as all other representatives identified in the Proof of Claim or any attachment thereto; or (iii) if counsel has agreed to or is otherwise deemed to accept service, by first class mail, postage prepaid, on any counsel that has appeared on the claimant's behalf in the Chapter 11 Cases (so long as such appearance has not been subsequently withdrawn).

9.2. Amendment to Claims

Except with respect to Administrative Expense Claims and Fee Claims, from and after the Effective Date, no Claim may be filed to increase or assert additional Claims not reflected in an already filed Claim (or Claim scheduled, unless superseded by a filed Claim, on the

applicable LP Debtor's Schedules) asserted by such claimant and any such Claim shall be deemed disallowed and expunged in its entirety without further order of the Bankruptcy Court or any action being required on the part of the LP Debtors unless the claimant has obtained the Bankruptcy Court's prior approval to file such amended or increased Claim.

9.3. Settlement of Claims and Causes of Action

Notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, from and after the Effective Date, the LP Debtors shall have authority to settle or compromise all Claims (to the extent not previously compromised, settled and released under the Plan) without further review or approval of the Bankruptcy Court; provided, that notwithstanding the foregoing, the LP Debtors may not settle or compromise any Inc. Entity General Unsecured Claim without approval of the Bankruptcy Court, which the LP Debtors may seek on fourteen (14) calendar days' notice to the Ad Hoc LP Secured Group and Plan Sponsors.

9.4. Estimation of Claims

The LP Debtors (or any of them, as applicable), may at any time request that the Bankruptcy Court estimate any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the LP Debtors (or any of them, as applicable) has previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court shall retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any Disputed Claim, that estimated amount shall constitute the allowed amount of such Claim for all purposes under the Plan except with respect to Plan Distributions, and with respect to Plan Distributions, the estimated amount shall constitute the maximum allowed amount of such Claim. All of the objection, estimation, settlement, and resolution procedures set forth in the Plan are cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

9.5. Claims Reserves

(a) No Plan Distributions Pending Allowance. Except as provided in this Section 9.5, Disputed Claims shall not be entitled to any Plan Distributions unless and until such Claims become Allowed Claims.

(b) Unclassified Claims Reserve. On the Funding Date or as soon thereafter as is reasonably practicable, the LP Debtors shall set aside and reserve, for the benefit of each holder of a Disputed Claim that is an Administrative Claim or Priority Tax Claim, Plan Consideration in the form of Cash in an amount equal to (i) the amount of such Claim as estimated by the Bankruptcy Court pursuant to an Estimation Order, (ii) if no Estimation Order has been entered with respect to such Claim, the amount in which such Disputed Claim is proposed to be allowed in any pending objection filed with respect to such Claim, or (iii) if no Estimation Order has been entered with respect to such Claim, and no objection to such Claim is pending on the Effective Date, the greater of (A) the amount listed in the Schedules and (B) the amount set forth in a timely filed Proof of Claim or application for payment filed with the Bankruptcy Court or Claims

Agent. In addition, on the Funding Date or as soon thereafter as is reasonably practicable, the LP Debtors shall set aside and reserve, for the benefit of each holder of an Administrative Claim (including a Fee Claim) that has been or may be incurred prior to the Effective Date and has not been paid by the LP Debtors, Plan Consideration in the form of Cash in amount equal to such Administrative Claim (based on the Plan Sponsors' best estimate of the allowable amount of such Claim). To the extent that amounts deposited in the reserve established pursuant to this Section 9.5(b) are insufficient to pay any Allowed Administrative Claim or Allowed Priority Tax Claim, the LP Debtors may withdraw Cash from the Wind Down Reserve to pay such Allowed Claims. For the avoidance of doubt, the Cash reserved pursuant to this Section 9.5(b) shall not be used to provide funding for the LP Debtors' working capital needs (*i.e.*, operating expenditures and capital expenditures) on and after the Funding Date, which obligations shall be the responsibility of the Purchaser pursuant to, and subject in all respects to the terms of, the Asset Purchase Agreement.

(c) Disputed Priority-Non Tax Claims and Disputed LP Other Secured Claims Reserve. On the Funding Date or as soon thereafter as is reasonably practicable, the LP Debtors shall set aside and reserve, for the benefit of each holder of a Disputed Claim that is a LP Other Priority Claim or LP Other Secured Claim, Plan Consideration in the form of Cash in an amount equal to (i) the amount of such Claim as estimated by the Bankruptcy Court pursuant to an Estimation Order, (ii) if no Estimation Order has been entered with respect to such Claim, the amount in which such Disputed Claim is proposed to be allowed in any pending objection filed with respect to such Claim, or (iii) if no Estimation Order has been entered with respect to such Claim, and no objection to such Claim is pending on the Effective Date, the greater of (A) the amount listed in the Schedules and (B) the amount set forth in a timely filed Proof of Claim or application for payment filed with the Bankruptcy Court or Claims Agent. To the extent that amounts deposited in the reserve established pursuant to this Section 9.5(c) are insufficient to pay any Allowed LP Other Priority Claim or Allowed LP Other Secured Claim, the LP Debtors may withdraw Cash from the Wind Down Reserve to pay such Allowed Claims.

(d) Disputed LP General Unsecured Claims Reserve. On the Funding Date or as soon thereafter as is reasonably practicable, the LP Debtors shall set aside and reserve, for the benefit of each holder of a Disputed Claim that is an LP General Unsecured Claim, Plan Consideration in an amount equal to (i) the LP General Unsecured Claims Distribution minus the amount of Allowed LP General Unsecured Claims as of the Funding Date, or (ii) such other amount as may be ordered by the Bankruptcy Court on or prior to the Confirmation Date. Further, so long as the Allowed Prepetition LP Facility Claims have been paid in full on the Effective Date as set forth in Section 5.3 of this Plan, and only to the extent the aggregate amount of Disputed LP General Unsecured Claims (as calculated hereunder) exceeds the Cash set aside and reserved pursuant to the first sentence of this Section 9.5(d), the LP Debtors shall, on the Funding Date or as soon thereafter as is reasonably practicable, set aside and reserve, for the benefit of each holder of a Disputed LP General Unsecured Claim, Cash in an amount equal to (i) the amount of such Claim as estimated by the Bankruptcy Court pursuant to an Estimation Order, (ii) if no Estimation Order has been entered with respect to such Claim, the amount in which such Disputed Claim is proposed to be allowed in any pending objection filed by the LP Debtors, or (iii) if no Estimation Order has been entered with respect to such Claim, and no objection to such Claim is pending on the Effective Date, the greater of (A) the amount listed in the Schedules and (B) the amount set

forth in a timely filed Proof of Claim or application for payment filed with the Bankruptcy Court or Claims Agent.

(e) Plan Distributions to Holders of Subsequently Allowed Claims. On each Plan Distribution Date (or such earlier date as determined by the LP Debtors or the Disbursing Agent in their sole discretion but subject to this Section 9.5), the Disbursing Agent will make Plan Distributions from the applicable Disputed Claims Reserve on account of any Disputed Claim that has become an Allowed Claim since the occurrence of the previous Plan Distribution Date. The Disbursing Agent shall distribute from the applicable Disputed Claims Reserve in respect of such newly Allowed Claims the Plan Distributions to which holders of such Claims would have been entitled under this Plan if such newly Allowed Claims were fully or partially Allowed, as the case may be, on the Effective Date, less direct and actual expenses, fees, or other direct costs of maintaining Cash on account of such Disputed Claims.

(f) Distribution from Disputed Claims Reserves Upon Disallowance. Except as otherwise provided in this Plan, to the extent any Disputed Claim has become a Disallowed Claim in full or in part (in accordance with the procedures set forth in the Plan), any Cash held in any Disputed Claim Reserve by the LP Debtors on account of, or to pay, such Disputed Claim, shall revert to the Distribution Account and be distributed to holders of Allowed Claims or Allowed Equity Interests in accordance with Article V.

9.6. No Recourse

Notwithstanding that the allowed amount of any particular Disputed Claim is (a) reconsidered under the applicable provisions of the Bankruptcy Code and Bankruptcy Rules or (b) allowed in an amount for which after application of the payment priorities established by this Plan there is insufficient value to provide a recovery equal to that received by other holders of Allowed Claims or Allowed Equity Interests in the respective Class, no Claim or Equity Interest holder shall have recourse against the Disbursing Agent, the LP Debtors, the Purchaser (and, if applicable, the Alternative Purchaser) or any of their respective professionals, consultants, officers, directors, employees or members or their successors or assigns, or any of their respective property. However, nothing in the Plan shall modify any right of a holder of a Claim under section 502(j) of the Bankruptcy Code, nor shall it modify or limit the ability of claimants (if any) to seek disgorgement to remedy any unequal distribution from parties other than those released under this section. For the avoidance of doubt, and notwithstanding anything to the contrary herein, except as expressly provided in the Asset Purchase Agreement, the Purchaser (and, if applicable, the Alternative Purchaser) shall not be liable for the payment of any Administrative Claims (including Fee Claims) accrued or incurred prior to the Effective Date under any circumstances, including in the event that the reserve for such claims established under Section 9.5(b) of this Plan is insufficient to pay such Administrative Claims in full as provided in Section 3.2 of this Plan. **The estimation of Claims and the establishment of reserves under the Plan may limit the distribution to be made on individual Disputed Claims and other Claims contemplated to be paid from the reserves established under Section 9.5 of this Plan, regardless of the amount finally allowed on account of such Claims.**

ARTICLE X.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

10.1. General Treatment

(a) On the Effective Date, all executory contracts and unexpired leases of each of the LP Debtors shall be deemed to be rejected by the applicable LP Debtor pursuant to the provisions of section 365 of the Bankruptcy Code, except: (i) any executory contract or unexpired lease that has previously has been assumed, assumed and assigned, or rejected pursuant to a Final Order of the Bankruptcy Court; (ii) any executory contract or unexpired lease that is designated specifically or by category as a contract or lease to be assumed or assumed and assigned on the Schedule of Assumed Executory Contracts and Unexpired Leases; (iii) any executory contract or unexpired lease that is the subject of a separate motion to assume and assign to a Person other than the Purchaser (or, if applicable, the Alternative Purchaser) or to reject under section 365 of the Bankruptcy Code pending on the Effective Date; and (iv) any executory contract or unexpired lease that is the subject of a pending Cure Dispute as of the Effective Date for which the applicable LP Debtor makes a motion to reject such contract or lease based upon the existence of such dispute filed at any time. Listing a contract or lease in the Schedule of Assumed Executory Contracts and Unexpired Leases shall not constitute an admission by the applicable LP Debtor that the applicable LP Debtor has any liability thereunder.

(b) No later than the applicable deadline set forth in the Bid Procedures Order, the LP Debtors shall file with the Bankruptcy Court and serve upon the counterparties to the executory contracts and unexpired leases anticipated to be listed on the Schedule of Assumed Executory Contracts and Unexpired Leases, a notice (the "***Contract and Lease Counterparties Notice***") regarding the proposed assumption, or assumption and assignment and the proposed cure obligations in connection therewith (the "***Cure Costs***"). The inclusion of any executory contract or unexpired lease on any version of the Contract and Lease Counterparties Notice or Schedule of Assumed Executory Contracts and Unexpired Leases at any time prior to the Effective Date does not ultimately establish that such contract or lease shall be assumed, or assumed and assigned, and the Contract and Lease Counterparties Notice and Assumed Executory Contracts and Unexpired Leases may be altered, amended, modified, or supplemented at any time prior to the Effective Date to remove any contract or lease therefrom in accordance with the Bankruptcy Code and applicable orders of the Bankruptcy Court.

(c) At the Confirmation Hearing, only those executory contracts or unexpired leases (and the corresponding Cure Costs) listed on the Schedule of Assumed Executory Contracts and Unexpired Leases that have been selected to be assumed by the LP Debtors or assumed and assigned to the Purchaser (or, if applicable, the Alternative Purchaser) at the Auction shall be the contracts and leases subject to approval by the Court.

(d) To the extent that an executory contract or unexpired lease is a Designated Contract, any such Designated Contract will be assumed by the LP Debtors, as applicable, on the Effective Date and assigned by the LP Debtors to the Purchaser (or, if applicable, the Alternative Purchaser) at the Closing. Each executory contract or unexpired lease assumed pursuant to the Plan or by Bankruptcy Court order but not assigned to a third party before the Effective Date

shall revest in and be fully enforceable by the applicable contracting LP Debtor in accordance with its terms, except as such terms may have been modified by the Plan or such order.

(e) Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of the rejection of the executory contracts and unexpired leases as set forth in Section 10.1(a) of this Plan, subject to the occurrence of the Effective Date, pursuant to section 365(a) of the Bankruptcy Code, and a finding by the Bankruptcy Court that each such rejected executory contract or unexpired lease is burdensome and that the rejection thereof is in the best interests of the LP Debtors and their Estates.

(f) Entry of the Confirmation Order shall, subject to the occurrence of the Effective Date, constitute the approval, pursuant to sections 365(a) and 1123(b) of the Bankruptcy Code, of: (i) subject to Section 10.3(e) of this Plan, the assumptions and assignments of executory contracts and unexpired leases set forth in the Schedule of Assumed Executory Contracts and Unexpired Leases; and (ii) the assumption and assignment of the Designated Contracts pursuant to Section 10.1(d) of this Plan.

(g) Neither the exclusion nor inclusion of any contract or lease on the Schedule of Assumed Executory Contracts and Unexpired Leases or the Contract and Lease Counterparties Notice or anything else contained in this Plan shall constitute an admission that any such contract or lease is or is not, in fact, an executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code.

10.2. Claims Based on Rejection of Executory Contracts or Unexpired Leases

(a) All Claims arising from the rejection of executory contracts or unexpired leases, if any, will be treated as LP General Unsecured Claims. Upon receipt by the holder of any such Claim of its applicable Plan Distribution pursuant to Section 5.4 of this Plan, such Claim shall be discharged on the Effective Date, and shall not be enforceable against the LP Debtors, the Purchaser (and, if applicable, the Alternative Purchaser, subject to Section 10.3(e) of this Plan) or their respective properties or interests in property (and shall not, for the avoidance of doubt, constitute Assumed Liabilities).

(b) **Each Person who is a party to a contract or lease rejected under the Plan must file with the Bankruptcy Court and serve on the LP Debtors, not later than thirty (30) days after the Confirmation Date (or, for any contract or lease that is not rejected as of the Confirmation Date but is rejected thereafter, 30 days after the effective date of such rejection), a Proof of Claim for damages alleged to arise from the rejection of the applicable contract or lease or be forever barred from filing a Claim, or sharing in distributions under the Plan, related to such alleged rejection damages.**

10.3. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases

(a) In accordance with Section 10.1(b) hereof, no later than the applicable deadline set forth in the Bid Procedures Order, the LP Debtors shall file with the Bankruptcy Court and serve upon the counterparties to the executory contracts and unexpired leases that are anticipated

to be assumed or assumed and assigned, a Contract and Lease Counterparties Notice. The Contract and Lease Counterparties Notices will (i) list the applicable Cure Costs, if any, for each executory contract and unexpired lease listed therein, (ii) describe the procedures for filing objections to the proposed assumption, or assumption and assignment, or Cure Costs, and (iii) explain the process by which related disputes shall be resolved by the Bankruptcy Court. If the LP Debtors identify additional executory contracts and unexpired leases that might be assumed by the LP Debtors, the LP Debtors will promptly send a Contract and Lease Counterparties Notice to the counterparties to any such contracts or leases.

(b) Except to the extent that less favorable treatment has been agreed to by the non-LP Debtor party or parties to each such executory contract or lease, monetary defaults arising under each executory contract and lease to be assumed, or assumed and assigned, pursuant to the Plan shall be cured, in accordance with section 365(b)(1) of the Bankruptcy Code, on or prior to the Closing of the LP Sale by (i) the payment of the undisputed Cure Costs and/or (ii) establishment of a reserve with respect to any disputed Cure Costs. The party responsible for paying the Cure Costs shall be set forth in the Asset Purchase Agreement.

(c) Any party that fails to object to the applicable Cure Cost listed on the Contract and Lease Counterparties Notice or the Schedule of Assumed Executory Contracts and Unexpired Leases, or the assumption of the applicable executory contract or unexpired lease, by the deadlines set forth in the Bid Procedures Order, (i) shall be forever barred, estopped and enjoined from (x) disputing the Cure Cost relating to any executory contract or unexpired lease set forth on the Contract and Lease Counterparties Notices or Schedule of Assumed Executory Contracts and Unexpired Leases, and (y) asserting any Claim against the applicable LP Debtor arising under section 365(b)(1) of the Bankruptcy Code other than as set forth on the Contract and Lease Counterparties Notices or the Schedule of Assumed Executory Contracts and Unexpired Leases; and (ii) subject to Section 10.3(e) of this Plan, shall be deemed to have consented to the assumption and assignment of such executory contract and unexpired lease and shall be forever barred and estopped from asserting or claiming against the LP Debtors, the Purchaser or any other assignee of the relevant executory contract or unexpired lease (including, if applicable, the Alternative Purchaser) that any additional amounts are due or defaults exist, or conditions to assumption and assignment of such executory contract or unexpired lease must be satisfied (pursuant to section 365(b)(1) of the Bankruptcy Code or otherwise). Any objection relating to the Cure Cost shall specify the Cure Cost proposed by the counterparty to the applicable contract or lease.

(d) In the event of a dispute (each, a "***Cure Dispute***") regarding: (i) any Cure Cost; (ii) the ability of the LP Debtors or the Purchaser to demonstrate "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under any contract or lease to be assumed; or (iii) any other matter pertaining to the proposed assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made at the times set forth in Section 10.3(b) of this Plan following the entry of a Final Order resolving such Cure Dispute and approving the assumption. To the extent a Cure Dispute relates solely to a Cure Cost, the applicable LP Debtor may assume and assign the applicable contract or lease prior to the resolution of the Cure Dispute provided that a reserve is established containing Cash in an amount sufficient to pay the full amount asserted as cure payment by the non-LP Debtor party to such contract or lease (or such smaller amount as may be fixed or estimated by the Bankruptcy

Court). To the extent the Cure Dispute is resolved or determined unfavorably to the LP Debtors, the LP Debtors may, subject to the terms and conditions of the Asset Purchase Agreement, reject the applicable executory contract or unexpired lease after such determination. Any Cure Disputes not consensually resolved prior to the Confirmation Hearing shall be heard at the Confirmation Hearing (or such other hearing as requested by the LP Debtors and determined appropriate by the Bankruptcy Court), including any disputed Cure Costs or objections to assumption and assignment, and/or objections to the adequacy of assurance of future performance being provided.

(e) Notwithstanding anything to the contrary herein, in the event that there is an Alternative Sale under the Asset Purchase Agreement, (i) the assumption and assignment of any executory contract or unexpired lease to the Alternative Purchaser shall be subject to further approval by the Bankruptcy Court, which approval the LP Debtors may seek on no less than fourteen (14) calendar days' notice, and (ii) counterparties to any executory contract or unexpired lease proposed to be assumed and assigned to such Alternative Purchaser shall be entitled to object to such proposed assumption and assignment on the grounds that the LP Debtors or such Alternative Purchaser are unable to demonstrate "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code), but not on any other grounds.

10.4. Compensation and Benefit Programs

For the avoidance of doubt, all employment and severance policies, and all compensation and benefit plans, policies, and programs of the LP Debtors applicable to their respective employees, retirees and non-employee directors including, without limitation, all savings plans, retirement plans, healthcare plans, disability plans, severance benefit plans, incentive plans, and life, accidental death and dismemberment insurance plans are treated as executory contracts under the Plan and on the Effective Date will be rejected as set forth in Section 10.1 of this Plan unless any of the foregoing is an Acquired Asset and the counterparty thereto receives a Contract and Lease Counterparties Notice, in which case the same shall be assumed and assigned to the Purchaser (or, if applicable, the Alternative Purchaser) pursuant to the Asset Purchase Agreement and in accordance with sections 365 and 1123 of the Bankruptcy Code.

ARTICLE XI.
CONDITIONS PRECEDENT TO CONFIRMATION OF THE PLAN AND THE OCCURRENCE OF THE EFFECTIVE DATE

11.1. Conditions Precedent to Confirmation

The following are conditions precedent to confirmation of the Plan:

(a) the Bankruptcy Court shall have entered the Disclosure Statement Order and the Bid Procedures Order, and the Canadian Court shall have entered the Disclosure Statement Recognition Order and the Bid Procedures Recognition Order;

(b) the Auction shall have been completed; and

(c) the Bankruptcy Court shall have entered the Confirmation Order, which shall, among other things, approve the LP Sale if not approved by a separate order of the Bankruptcy Court.

11.2. Conditions Precedent to the Occurrence of the Effective Date

The following are conditions precedent to the occurrence of the Effective Date:

(a) each of the Confirmation Order and the Confirmation Recognition Order shall have become a Final Order;

(b) the Plan Documents shall have been executed and delivered, and any conditions (other than the occurrence of the Effective Date or certification by an LP Debtor that the Effective Date has occurred) contained therein shall have been satisfied or waived in accordance therewith;

(c) the Funding and Closing each shall have occurred in accordance with the terms and conditions of the Asset Purchase Agreement;

(d) the Allowed Prepetition LP Facility Claims shall have been satisfied as set forth in Section 5.3; and

(e) the LP Debtors shall have paid in full in Cash all undisputed Ad Hoc LP Secured Group Fee Claims.

11.3. Waiver of Conditions

The Plan Sponsors may waive, without further order of the Bankruptcy Court, any one or more of the conditions set forth in this Article XI. Further, the stay of the Confirmation Order, pursuant to Bankruptcy Rule 3020(e), shall be deemed waived by the Confirmation Order.

11.4. Effect of Non-Occurrence of the Funding Date

If all of the conditions precedent to the occurrence of the Funding Date have not been satisfied or duly waived (as provided in Section 11.3 of this Plan) on or before the first Business Day that is more than sixty (60) days after the Confirmation Date, or by such later date as set forth by the Plan Sponsors in a notice filed with the Bankruptcy Court prior to the expiration of such period, then the Plan Sponsors may file a motion to vacate the Confirmation Order before all of the conditions have been satisfied or duly waived. It is further provided that notwithstanding the filing of such a motion, the Confirmation Order shall not be vacated if all of the conditions precedent to the Funding Date set forth in the Asset Purchase Agreement are either satisfied or duly waived before the Bankruptcy Court enters an order granting the relief requested in such motion. If the Confirmation Order is vacated pursuant to this Section 11.4, this Plan shall be null and void in all respects, the Confirmation Order shall be of no further force or effect, no distributions under this Plan shall be made, the LP Debtors and all holders of Claims and Equity Interests in the LP Debtors shall be restored to the status quo ante as of the day immediately preceding the Confirmation Date as though the Confirmation Date had never occurred, and upon such occurrence, nothing contained in this Plan shall: (a) constitute a waiver

or release of any Claims against or Equity Interests in the LP Debtors; (b) prejudice in any manner the rights of the holder of any Claim against or Equity Interest in the LP Debtors; or (c) constitute an admission, acknowledgment, offer or undertaking by any LP Debtor or any other Person with respect to any matter set forth in the Plan.

ARTICLE XII.
RETENTION OF JURISDICTION

Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, the Bankruptcy Court shall retain and shall have exclusive jurisdiction, pursuant to 28 U.S.C. §§ 1334 and 157, over any matter, other than Avoidance Actions (excluding any Avoidance Actions that are Acquired Assets under the Asset Purchase Agreement), over which the Bankruptcy Court shall have concurrent jurisdiction, (a) arising under the Bankruptcy Code, (b) arising in or related to the Chapter 11 Cases of the LP Debtors, or the Plan, or (c) that relates to the following:

(i) To determine any and all adversary proceedings, applications, motions, and contested or litigated matters that may be pending on the Effective Date or that, pursuant to the Plan, may be instituted by the LP Debtors after the Effective Date;

(ii) To hear and determine any objections to the allowance of Claims, whether filed, asserted, or made before or after the Effective Date, including, without express or implied limitation, to hear and determine any objections to the classification of any Claim and to allow, disallow or estimate any Disputed Claim in whole or in part;

(iii) To ensure that distributions to holders of Allowed Claims or Allowed Equity Interests are accomplished as provided herein;

(iv) To consider Claims or the allowance, classification, priority, compromise, estimation, or payment of any Claim, including any Administrative Claim;

(v) To consider Equity Interests or the allowance, compromise or distributions on account of any Equity Interest;

(vi) To enter, implement, or enforce such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;

(vii) To issue such orders in aid of execution of the Plan to the extent authorized or contemplated by section 1142 of the Bankruptcy Code;

(viii) To consider any modifications of the Plan, remedy any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(ix) To hear and determine all Fee Applications;

(x) To resolve disputes concerning any reserves with respect to Disputed Claims or the administration thereof;

(xi) To hear and determine all controversies, suits and disputes that may relate to, impact upon, or arise in connection with the LP Sale or its interpretation, implementation, enforcement or consummation (subject to the terms thereof);

(xii) To recover all Assets of the LP Debtors and property of the Estates, wherever located (other than any Acquired Assets, after the occurrence of the Closing of the LP Sale);

(xiii) To hear and determine all controversies, suits and disputes that may relate to, impact upon or arise in connection with the Plan, the Plan Documents or the interpretation, implementation, enforcement or consummation thereof;

(xiv) To hear and determine all controversies, suits and disputes that may relate to, impact upon, or arise in connection with the Confirmation Order (and all exhibits to the Plan) or the interpretation, implementation, enforcement or consummation thereof;

(xv) To the extent that Bankruptcy Court approval is required, and to the extent not released pursuant to the Plan, to consider and act on the compromise and settlement of any Claim by, on behalf of, or against the LP Debtors or their Estates;

(xvi) To hear and determine such other matters that may be set forth in the Plan or the Confirmation Order, or that may arise in connection with the Plan or the Confirmation Order;

(xvii) To hear and determine matters concerning state, local and federal taxes, fines, penalties or additions to taxes for which the LP Debtors may be liable, directly or indirectly;

(xviii) To hear and determine all controversies, suits and disputes that may relate to, impact upon, or arise in connection with any setoff and/or recoupment rights of the LP Debtors or any Person under the Plan;

(xix) To hear and determine all controversies, suits, and disputes that may relate to, impact upon, or arise in connection with Causes of Action of the LP Debtors (including Avoidance Actions) commenced by the LP Debtors, or any third parties, as applicable, before or after the Effective Date, except to the extent such Causes of Action are compromised, settled and released under the Plan or constitute Acquired Assets under the Asset Purchase Agreement;

(xx) To hear and determine all controversies, suits, or disputes that may arise in relation to the rights and obligations of the Disbursing Agent;

(xxi) To enter an order or final decree closing the Chapter 11 Case of any LP Debtor;

(xxii) In the event of an Alternative Sale, to determine whether the assignment of any Designated Contract to the Alternative Purchaser satisfies the requirement of section 365 of the Bankruptcy Code of "adequate assurance of future performance" and

provide such other authorizations and approvals as may be reasonably necessary to consummate an Alternative Sale;

(xxiii) To issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Person with consummation, implementation or enforcement of the Plan or the Confirmation Order; and

(xxiv) To hear and determine any other matters related hereto and not inconsistent with chapter 11 of the Bankruptcy Code.

ARTICLE XIII.
MISCELLANEOUS PROVISIONS

13.1. Releases

(a) **Releases by the LP Debtors. For good and valuable consideration, the adequacy of which is hereby confirmed, and except as otherwise provided in this Plan or the Confirmation Order, as of the Effective Date, the LP Debtors, in their individual capacities and as debtors in possession shall be deemed to forever release, waive and discharge all claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action and liabilities (other than the rights of the LP Debtors to enforce this Plan, the contracts, instruments, releases, indentures and other agreements or documents delivered thereunder and the Asset Purchase Agreement) against the Released Parties, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the LP Debtors, the parties released pursuant to this Section 13.1, the Chapter 11 Cases, this Plan or the Disclosure Statement, and that could have been asserted by or on behalf of the LP Debtors or their Estates, whether directly, indirectly, derivatively or in any representative or any other capacity.**

(b) **Releases by Holders of Claims and Equity Interests. Except as otherwise provided in this Plan or the Confirmation Order, on the Effective Date: (i) each of the Released Parties; (ii) each holder of a Claim or Equity Interest voting to accept the Plan or conclusively presumed to accept the Plan; (iii) each holder of a Claim or Equity Interest abstaining from voting to accept or reject the Plan, unless such abstaining holder checks the box on the applicable Ballot indicating that such holder opts not to grant the releases provided in this Section 13.1; and (iv) to the fullest extent permissible under applicable law, as such law may be extended or interpreted subsequent to the Effective Date, all holders of Claims and Equity Interests, in consideration for the obligations of the LP Debtors under this Plan and the other contracts, instruments, releases, agreements or documents executed and delivered in connection with this Plan, and each Person (other than the LP Debtors) that has held, holds or may hold a Claim or Equity Interest, as applicable, will be deemed to have consented to this Plan for all purposes and the restructuring embodied herein and deemed to forever release, waive and discharge all claims, demands, debts, rights, Causes of Action or liabilities (other than the right to enforce the obligations of any party under**

this Plan and the contracts, instruments, releases, agreements and documents delivered under or in connection with this Plan, including, without limitation, the Asset Purchase Agreement) against the Released Parties, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act or omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the LP Debtors, the LP Debtors' Chapter 11 Cases, the LP Sale, the transactions contemplated by the Asset Purchase Agreement, this Plan or the Disclosure Statement.

(c) **Notwithstanding anything to the contrary contained herein: (i) except to the extent permissible under applicable law, as such law may be extended or interpreted subsequent to the Effective Date, the releases provided for in this Section 13.1 shall not release any LP Debtor from any liability arising under (x) the Internal Revenue Code or any state, city or municipal tax code, or (y) any criminal laws of the United States or any state, city or municipality; and (ii) the releases set forth in this Section 13.1 shall not release any (x) LP Debtor's claims, rights, or Causes of Action for money borrowed from or owed to an LP Debtor or its subsidiary by any of its directors, officers or former employees, as set forth in such LP Debtor's or subsidiary's books and records, (y) any claims against any Person to the extent such Person asserts a crossclaim, counterclaim and/or claim for setoff which seeks affirmative relief against an LP Debtor or any of its officers, directors, or representatives and (z) claims against any Person arising from or relating to such Person's fraud, gross negligence or willful misconduct, each as determined by a Final Order of the Bankruptcy Court.**

(d) **Notwithstanding anything to the contrary contained herein, nothing herein: (i) discharges, releases, or precludes any (x) environmental liability that is not a Claim; (y) environmental claim of the United States that first arises on or after the Confirmation Date, or (z) other environmental claim or environmental liability that is not otherwise dischargeable under the Bankruptcy Code; (ii) releases the LP Debtors from any environmental liability that an LP Debtor may have as an owner or operator of real property owned or operated by an LP Debtor on or after the Confirmation Date; (iii) releases or precludes any environmental liability to the United States on the part of any Persons other than the LP Debtors; or (iv) enjoins the United States from asserting or enforcing any liability described in this paragraph.**

13.2. **Exculpation and Limitation of Liability**

None of the Released Parties shall have or incur any liability to any holder of any Claim or Equity Interest or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or agents acting in such capacity, or affiliates, or any of their successors or assigns, for any act or omission in connection with, or arising out of, the LP Debtors' Chapter 11 Cases, the Asset Purchase Agreement, the Disclosure Statement, the solicitation of votes for and the pursuit of confirmation of this Plan, the consummation of the Plan, or the implementation or administration of the Plan, the transactions contemplated by the Plan, or the property to be distributed under the Plan, including, without limitation, all documents ancillary thereto, all decisions, actions, inactions and alleged negligence or misconduct relating thereto, and all prepetition

activities leading to the promulgation and confirmation of this Plan, except for fraud, willful misconduct or gross negligence as finally determined by a Final Order of the Bankruptcy Court, and, in all respects, the Released Parties shall be entitled to rely upon the advice of counsel and all information provided by other exculpated Persons herein without any duty to investigate the veracity or accuracy of such information with respect to their duties and responsibilities under the Plan.

13.3. Injunctions

(a) **Except as otherwise provided in this Plan or the Confirmation Order, as of the Confirmation Date, but subject to the occurrence of the Effective Date, all Persons who have held, hold or may hold Claims against or Equity Interests in the LP Debtors or their Estates are, with respect to any such Claims or Equity Interests, permanently enjoined after the Confirmation Date from: (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against or affecting the LP Debtors, their Estates or any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons or any property of any such transferee or successor; (ii) enforcing, levying, attaching (including, without limitation, any pre-judgment attachment), collecting or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree or order against the LP Debtors, or their Estates or any of their property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons, or any property of any such transferee or successor; (iii) creating, perfecting or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the LP Debtors, or their Estates or any of their property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons; (iv) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of this Plan to the full extent permitted by applicable law; and (v) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of this Plan; provided, however, that nothing contained herein shall preclude such Persons from exercising their rights, or obtaining benefits, pursuant to and consistent with the terms of this Plan; and provided, further, that nothing contained herein shall preclude the Purchaser from exercising any rights and remedies under the Asset Purchase Agreement.**

(b) **By accepting distributions pursuant to this Plan, each holder of an Allowed Claim or Equity Interest will be deemed to have specifically consented to the injunctions set forth in this Section 13.3.**

(c) **The Confirmation Order shall permanently enjoin the commencement or prosecution by any Person, whether directly, derivatively or otherwise, of any claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action, or liabilities released pursuant to this Plan, including but not limited to the Claims, obligations, suits, judgments, damages, demands, debts, rights, Causes of Action or liabilities released in Sections 13.1 and 13.2 of this Plan. Such injunction shall extend to successors of the LP Debtors and their respective properties and interests in property.**

13.4. Substantial Consummation

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

13.5. Satisfaction of Claims

The rights afforded in the Plan and the treatment of all Claims and Equity Interests herein shall be in exchange for and in complete satisfaction, discharge and release of all Claims against and Equity Interests in, of any nature whatsoever, the LP Debtors and their Estates, Assets, properties and interests in property. Except as otherwise provided herein, on the Effective Date, all Claims and Equity Interests shall be satisfied, discharged and released in full. Neither the Disbursing Agent nor the Purchaser shall be responsible for any pre-Effective Date obligations of the LP Debtors, except those expressly assumed by the Purchaser (if any) or as otherwise provided in the Plan or the Asset Purchase Agreement. Except as otherwise provided herein, all Persons shall be precluded and forever barred from asserting against the Disbursing Agent or Purchaser, or their successors or assigns, Assets, properties, or interests in property any event, occurrence, condition, thing, or other or further Claims or Causes of Action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date in connection with the LP Debtors, whether or not the facts of or legal bases therefor were known or existed on or prior to the Effective Date.

13.6. Special Provisions Regarding Insured Claims

The Plan Distributions to each holder of an Allowed Insured Claim against the LP Debtors shall be made in accordance with the treatment provided under the Plan for the Class in which such Allowed Insured Claim is classified; except, that there shall be deducted from any Plan Distribution on account of an Insured Claim, for purposes of calculating the allowed amount of such Claim, the amount of any insurance proceeds actually received by such holder in respect of such Allowed Insured Claim. Nothing in this Section 13.6 shall (i) constitute a waiver of any Claim, right, or Cause of Action that the LP Debtors or their Estates may hold against any Person, including any insurer, or (ii) provide for the allowance of any Insured Claim. Pursuant to section 524(e) of the Bankruptcy Code, nothing in the Plan shall release or discharge any insurer from any obligations to any Person under applicable law or any policy of insurance under which any of the LP Debtors is an insured or a beneficiary.

13.7. Third Party Agreements; Subordination

Except as otherwise provided in the Plan, the Plan Distributions to the various Classes of Claims and Equity Interests hereunder shall not affect the right of any Person to levy, garnish, attach, or employ any other legal process with respect to such Plan Distributions by reason of any claimed subordination rights or otherwise. All such rights and any agreements relating thereto shall remain in full force and effect. The right of the LP Debtors to seek subordination of any Claim or Equity Interest pursuant to section 510 of the Bankruptcy Code is fully reserved, and the treatment afforded any Claim or Equity Interest that becomes a subordinated Claim or Equity Interest at any time shall be modified to reflect such subordination.

13.8. Status Reports

Following entry of the Confirmation Order, the LP Debtors shall file post-confirmation quarterly status reports with the Bankruptcy Court in accordance with Rule 3021-1 of the Local Bankruptcy Rules for the Southern District of New York and shall meet all Post-Confirmation Operating Report requirements of the U.S. Trustee's Operating Guidelines and Reporting Requirements (unless the Bankruptcy Court orders otherwise).

13.9. Notices

In order to be effective, all notices, requests, and demands to or upon the LP Debtors, the Special Committee or the Plan Sponsors (or the Ad Hoc LP Secured Group) shall be in writing (including by facsimile transmission) and, unless otherwise provided herein, shall be deemed to have been duly given or made only when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the LP Debtors (or the Special Committee):

LightSquared LP
Attention: Marc Montagner
450 Park Avenue, Suite 2201
New York, NY 10022
Telephone: (877) 678-2920
E-mail: Marc.Montagner@lightsquared.com

with copies to:

Milbank, Tweed, Hadley & McCloy LLP
Attention: Matthew S. Barr
One Chase Manhattan Plaza
New York, NY 10005-1413
Telephone: (212) 530-5000
Facsimile: (212) 822-5194
E-mail: mbarr@milbank.com

Special Committee
c/o Kirkland & Ellis LLP
Attention: Paul M. Basta
Joshua A. Sussberg
601 Lexington Avenue
New York, NY 10022
United States
Telephone: (212) 446-4800
Facsimile: (212) 446-4900
E-mail: paul.basta@kirkland.com
joshua.sussberg@kirkland.com

If to the Plan Sponsors (or Ad Hoc LP Secured Group):

White & Case LLP
Attention: Glenn M. Kurtz
Andrew Ambruoso
1155 Avenue of the Americas
New York, NY 10036
Telephone: (212) 819-8200
Facsimile: (212) 354-8113
E-mail: gkurtz@whitecase.com
andrew.ambruoso@whitecase.com

White & Case LLP
Attention: Thomas E Lauria
Matthew Brown
Southeast Financial Center, Suite 4900
200 South Biscayne Blvd.
Miami, FL 33131
Telephone: (305) 995-5282
Facsimile: (305) 358-5744
E-mail: tlauria@whitecase.com
mbrown@whitecase.com

13.10. Headings

The headings used in the Plan are inserted for convenience only, and neither constitute a portion of the Plan nor in any manner affect the construction of the provisions of the Plan.

13.11. Governing Law

Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent a Plan Document or exhibit or schedule to the Plan provides otherwise, the rights, duties, and obligations arising under this Plan and the Plan Documents shall be governed by, and construed and enforced in accordance with, the laws of the state of New York, without giving effect to the principles of conflict of laws thereof.

13.12. Section 1125(e) of the Bankruptcy Code

The Plan Sponsors have, and upon confirmation of this Plan shall be deemed to have, solicited acceptances of this Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, and therefore are not and will not be liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of this Plan.

13.13. Inconsistency

In the event of any inconsistency among the Plan, the Disclosure Statement, the Plan Documents, any exhibit to the Plan, or any other instrument or document created or executed pursuant to the Plan, the provisions of the Plan shall govern; provided, that, notwithstanding the foregoing, in the event of any inconsistency among the Asset Purchase Agreement and any other document (including the Plan), the Asset Purchase Agreement shall govern.

13.14. Avoidance and Recovery Actions

Effective as of the Effective Date, the LP Debtors retain the right to prosecute any avoidance or recovery actions under sections 544, 547, 548, 549 and 550 of the Bankruptcy Code except for any such actions that are Acquired Assets.

13.15. Expedited Determination

The LP Debtors are hereby authorized to file a request for expedited determination under section 505(b) of the Bankruptcy Code for all tax returns filed with respect to the LP Debtors.

13.16. Exemption from Transfer Taxes

To the fullest extent permitted by applicable law, all sale transactions consummated by the LP Debtors and approved by the Bankruptcy Court on and after the Confirmation Date through and including the Effective Date, including any transfers effectuated under this Plan, the sale by the LP Debtors of any owned property pursuant to section 1123(b)(4) of the Bankruptcy Code, and any assumption, assignment, and/or sale by the LP Debtors of their interests in unexpired leases of non-residential real property or executory contracts pursuant to section 365(a) of the Bankruptcy Code, shall constitute a "transfer under a plan" within the purview of section 1146 of the Bankruptcy Code, and shall not be subject to any stamp, real estate transfer, mortgage recording, or other similar tax.

13.17. Notice of Entry of Confirmation Order and Relevant Dates

Promptly upon entry of the Confirmation Order, the LP Debtors shall publish as directed by the Bankruptcy Court and serve on all known parties in interest and holders of Claims and Equity Interests, notice of the entry of the Confirmation Order and all relevant deadlines and dates under the Plan, including, but not limited to, the deadline for filing notice of Administrative Claims, and the deadline for filing rejection damage Claims.

13.18. Termination of Professionals

On the Effective Date, the engagement of each Professional Person retained by the LP Debtors, if any, shall be terminated without further order of the Bankruptcy Court or act of the parties; provided, however, such Professional Persons shall be entitled to prosecute their respective Fee Claims and represent their respective constituents with respect to applications for payment of such Fee Claims and the LP Debtors shall be responsible for the fees, costs and expenses associated with the prosecution of such Fee Claims. Nothing herein shall preclude any

LP Debtor from engaging a Professional Person on or after the Effective Date in the same capacity as such Professional Person was engaged prior to the Effective Date.

13.19. Interest and Attorneys' Fees

Interest accrued after the applicable Petition Date will accrue and be paid on Claims only to the extent specifically provided for in this Plan, the Plan Documents, the Confirmation Order, or as otherwise required by the Bankruptcy Court or by applicable law. No award or reimbursement of attorneys' fees or related expenses or disbursements shall be allowed on, or in connection with, any Claim, except as set forth in the Plan or as ordered by the Bankruptcy Court.

13.20. Amendments

(a) Plan Modifications. This Plan may be amended, modified, or supplemented by the Plan Sponsors, in the manner provided for by section 1127 of the Bankruptcy Code or as otherwise permitted by law, without additional disclosure pursuant to section 1125 of the Bankruptcy Code, except as otherwise ordered by the Bankruptcy Court. In addition, after the Confirmation Date, so long as such action does not materially and adversely affect the treatment of holders of Allowed Claims and Allowed Equity Interests pursuant to this Plan, the Plan Sponsors may remedy any defect or omission or reconcile any inconsistencies in this Plan, the Plan Documents and/or the Confirmation Order, with respect to such matters as may be necessary to carry out the purposes and intended effects of this Plan, and any holder of a Claim or Equity Interest that has accepted this Plan shall be deemed to have accepted this Plan as amended, modified, or supplemented.

(b) Other Amendments. Prior to the Effective Date, the Plan Sponsors may make appropriate technical adjustments and modifications to this Plan without further order or approval of the Bankruptcy Court; provided, however, that, such technical adjustments and modifications do not adversely affect in a material way the treatment of holders of Claims or Equity Interests under the Plan.

13.21. Revocation or Withdrawal of this Plan

The Plan Sponsors reserve the right to revoke or withdraw this Plan prior to the Effective Date. If the Plan Sponsors revoke or withdraw this Plan prior to the Effective Date as to any or all of the LP Debtors, or if confirmation or consummation as to any or all of the LP Debtors does not occur, then, with respect to such LP Debtors: (a) this Plan shall be null and void in all respects; (b) any settlement or compromise embodied in this Plan (including the fixing or limiting to an amount certain any Claim or Equity Interest or Class of Claims or Equity Interests), assumption, assumption or assignment, or rejection of executory contracts or leases affected by this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void; and (c) nothing contained in this Plan shall (i) constitute a waiver or release of any Claims by or against, or any Equity Interests in, such LP Debtors or any other Person, (ii) prejudice in any manner the rights of such LP Debtors or any other Person, or (iii) constitute an admission of any sort by the LP Debtors or any other Person.

13.22. No Successor Liability

Except as otherwise expressly provided in the Plan or the Asset Purchase Agreement, neither the Purchaser nor any Alternative Purchaser, pursuant to this Plan or otherwise, assumes, agrees to perform, pay or indemnify or otherwise has any responsibilities for any liabilities or obligations of the LP Debtors or any other party relating to or arising out of the operations of or Assets of the LP Debtors, whether arising prior to, on, or after the Effective Date. Neither the Purchaser nor any Alternative Purchaser is, and shall not be, a successor to any of the LP Debtors by reason of any theory of law or equity, and neither shall have any successor or transferee liability of any kind or character, except that the Purchaser (or, if applicable, the Alternative Purchaser) shall assume the Assumed Liabilities under the terms and subject to the conditions set forth in the Asset Purchase Agreement.

13.23. Allocation of Plan Distributions Between Principal and Interest

To the extent that any Allowed Claim entitled to a distribution under the Plan consists of indebtedness and other amounts (such as accrued but unpaid interest thereon), any distribution on account of such Claim shall be allocated first to the principal amount of the Claim (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claim, to such other amounts.

13.24. Compliance with Tax Requirements

In connection with the Plan, the Disbursing Agent shall comply with all withholding and reporting requirements imposed by federal, state, local, and foreign taxing authorities, and all Plan Distributions hereunder shall be subject to such withholding and reporting requirements. Notwithstanding the foregoing, each holder of an Allowed Claim that is to receive a Plan Distribution shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any government unit, including income, withholding, and other tax obligations, on account of such Plan Distribution. The Disbursing Agent has the right, but not the obligation, to not make a Plan Distribution until such holder has made arrangements satisfactory to the Disbursing Agent for payment of any such tax obligations.

13.25. Rates

The Plan does not provide for the change of any rate that is within the jurisdiction of any governmental regulatory commission after the occurrence of the Effective Date. Where a Claim has been denominated in foreign currency on a Proof of Claim, the allowed amount of such Claim shall be calculated in legal tender of the United States based upon the conversion rate in place as of the Petition Date and in accordance with section 502(b) of the Bankruptcy Code.

13.26. Binding Effect

Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, and subject to the occurrence of the Effective Date, on and after the Confirmation Date, the provisions of this Plan shall be binding upon the LP Debtors and each holder of any Claim or Equity Interest and inure to the benefit of and be binding on such holder's successors and assigns, whether or not the

Claim or Equity Interest of such holder is impaired under this Plan and whether or not such holder has accepted this Plan.

13.27. Successors and Assigns

The rights, benefits and obligations of any Person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such Person.

13.28. Time

In computing any period of time prescribed or allowed by this Plan, unless otherwise set forth herein or determined by the Bankruptcy Court, the provisions of Bankruptcy Rule 9006 shall apply.

13.29. Severability

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

13.30. Federal Communications Commission Approvals

Notwithstanding any other provision of this Plan, nothing in this Plan shall be construed to authorize or require any action, and no party shall take any action, that would result in the assignment or transfer of control of any rights or interests of the LP Debtors in any federal license or authorization issued by the FCC prior to the issuance of FCC regulatory approval for such assignment pursuant to the Communications Act of 1934, as amended, and the rules and regulations promulgated thereunder.

13.31. Reservation of Rights

Except as expressly set forth herein, the Plan shall have no force or effect unless the Bankruptcy Court shall enter the Confirmation Order. None of the filing of this Plan, any statement or provision contained herein, or the taking of any action by the Plan Sponsors or the Stalking Horse Bidder with respect to this Plan shall be or shall be deemed to be, an admission or waiver of any rights of the Plan Sponsors or the Stalking Horse Bidder with respect to any Claims or Equity Interests prior to the Effective Date.

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Dated: October 7, 2013
New York, New York

WHITE & CASE LLP

By: /s/ Glenn M. Kurtz

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Counsel to the Ad Hoc Secured Group of LightSquared LP Lenders

EXHIBIT "A"

GLOSSARY OF DEFINED TERMS

"***Acquired Assets***" means the LP Debtors' Assets to be sold pursuant to the terms and conditions of the Asset Purchase Agreement and the Bid Procedures Order.

"***Ad Hoc LP Secured Group***" means that certain Ad Hoc Group of LightSquared LP Lenders comprised of holders, advisors or affiliates of advisors to holders, or managers of various accounts with investment authority, contractual authority or voting authority, of the loans under the Prepetition LP Facility Credit Agreement, each of which is acting as a Plan Sponsor under this Plan.

"***Ad Hoc LP Secured Group Advisors***" means White & Case LLP, as counsel to the Ad Hoc LP Secured Group, and Blackstone Advisory Partners L.P., as financial advisor to the Ad Hoc LP Secured Group.

"***Ad Hoc LP Secured Group Fee Claims***" means all Claims for: (a) the reasonable documented fees and expenses of the Ad Hoc LP Secured Group Advisors; and (b) reasonable out-of-pocket expenses incurred by each member of the Ad Hoc LP Secured Group in their capacities as such, including reasonable documented fees and expenses of LightSquared LP Lender Advisors.

"***Administrative Claim***" means any right to payment constituting a cost or expense of administration of any of the Chapter 11 Cases of the LP Debtors under sections 503(b) and 507(a)(2) of the Bankruptcy Code (other than a Fee Claim or U.S. Trustee Fees), including, without limitation, (i) any actual and necessary expenses of preserving the Estates of the LP Debtors, (ii) any actual and necessary expenses of operating the businesses of the LP Debtors, (iii) any indebtedness or obligations incurred or assumed by the LP Debtors in connection with the conduct of their business from and after the Petition Date, all Fee Claims, all compensation and reimbursement of expenses to the extent allowed by the Bankruptcy Court under section 330 or 503 of the Bankruptcy Code, (iv) any fees and charges assessed against the Estates of the LP Debtors under section 1930 of title 28 of the United States Code, (v) the Ad Hoc LP Secured Group Fee Claims and the Plan Sponsor Fee Claims, and (vi) the Break-Up Fee and Expense Reimbursement, to the extent payable in accordance with the terms of the Stalking Horse Agreement and the Bid Procedures Order.

"***Advance Payment Order***" means a Final Order of the Bankruptcy Court, which may be the Confirmation Order, authorizing the payment of Allowed Claims or Allowed Equity Interests prior to the occurrence of the Effective Date.

"***Affiliate***" means, with respect to any Person, all Persons that would fall within the definition assigned to such term in section 101(2) of the Bankruptcy Code, if such Person were a debtor in a case under the Bankruptcy Code.

"***Allowed Claim***" or "***Allowed [_____] Claim***" (with respect to a specific type of

Claim, if specified) means: (a) any Claim (or a portion thereof) as to which no action to dispute, deny, equitably subordinate or otherwise limit recovery with respect thereto, or alter priority thereof, has been sought within the applicable period of limitation fixed by this Plan or applicable law, except to the extent the LP Debtors object to the enforcement of such Claim or, if an action to dispute, deny, equitably subordinate or otherwise limit recovery with respect thereto, or alter priority thereof, has been sought, to the extent such Claim has been allowed (whether in whole or in part) by a Final Order of a court of competent jurisdiction with respect to the subject matter; or (b) any Claim or portion thereof that is allowed (i) in any contract, instrument, indenture or other agreement entered into in connection with the Plan, (ii) pursuant to the terms of the Plan, (iii) by Final Order of the Bankruptcy Court, or (iv) with respect to an Administrative Claim only (x) that was incurred by an LP Debtor in the ordinary course of business during the Chapter 11 Cases to the extent due and owing without defense, offset, recoupment or counterclaim of any kind, and (y) that is not otherwise disputed.

"***Allowed Equity Interest***" or "***Allowed [_____] Equity Interest***" (with respect to a specific type of Equity Interest, if specified) means a valid and enforceable Equity Interest, as determined by the LP Debtors based on the LP Debtors' books and records and any applicable registries of holders of Equity Interests.

"***Alternative Purchaser***" means the purchaser in any Alternative Sale.

"***Alternative Sale***" has the meaning given to such term in the Asset Purchase Agreement.

"***Asset Purchase Agreement***" means either (i) the Stalking Horse Agreement or (ii) if the Stalking Horse Bidder is not the Purchaser, an asset purchase agreement by and among the LP Debtors, as sellers, and the Purchaser, as buyer, which asset purchase agreement shall comply with the requirements of the Bid Procedures Order.

"***Assets***" means all rights, title and interest of any nature in property of any kind, wherever located, as specified in section 541 of the Bankruptcy Code.

"***Assumed Liabilities***" means the liabilities of the LP Debtors assumed by the Purchaser pursuant to the Asset Purchase Agreement and the Bid Procedures Order.

"***Auction***" means the auction conducted in connection with the LP Sale and in accordance with the Bid Procedures Order.

"***Avoidance Actions***" means all Causes of Action of the Estates of the LP Debtors that arise under section 544, 545, 547, 548, 549, 550, 551 and/or 553 of the Bankruptcy Code.

"***Ballot***" means the form distributed to holders of impaired Claims or Equity Interests entitled to vote on the Plan on which is to be indicated the acceptance or rejection of the Plan approved by the Bankruptcy Court.

"***Bankruptcy Code***" means the Bankruptcy Reform Act of 1978, as codified at title 11 of the United States Code, as amended from time to time.

"***Bankruptcy Court***" means the United States Bankruptcy Court for the Southern District of New York, or such other United States Bankruptcy Court having jurisdiction over the Chapter 11 Cases.

"***Bankruptcy Rules***" means the Federal Rules of Bankruptcy Procedure, as promulgated by the United States Supreme Court pursuant to section 2075 of title 28 of the United States Code, as amended from time to time, applicable to the Chapter 11 Cases, and any local rules of the Bankruptcy Court.

"***Bid Procedures Order***" means the Order (A) Establishing Bid Procedures, (B) Scheduling Date and Time of Auction, (C) Approving Assumption and Assignment Procedures, (D) Approving Form of Notice, and (E) Granting Related Relief, which was entered as Docket No. 892 in the Chapter 11 Cases..

"***Bid Procedures Recognition Order***" means the order of the Canadian Court, which shall be in form and substance acceptable to the Plan Sponsors, recognizing the entry of the Bid Procedures Order.

"***Break-Up Fee***" has the meaning given to such term in the Bid Procedures Order.

"***Business Day***" means any day other than a Saturday, a Sunday or any other day on which commercial banks are required or authorized to close for business in New York, New York.

"***Canadian Court***" means the Ontario Superior Court of Justice (Commercial List) having jurisdiction over the proceedings commenced by Debtors SkyTerra Holdings (Canada) Inc., SkyTerra (Canada) Inc., and LightSquared Corp. pursuant to Part IV of the Companies' Creditors Arrangement Act, R.S.C. 1985, c.C-36.

"***Cash***" means legal tender of the United States of America and equivalents thereof.

"***Causes of Action***" means all claims, rights, actions, causes of action (including avoidance actions), liabilities, obligations, suits, debts, remedies, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages or judgments, whether known or unknown, liquidated or unliquidated, fixed or contingent, matured or unmatured, foreseen or unforeseen, asserted or unasserted, arising in law, equity or otherwise including intercompany claims.

"***Chapter 11 Cases***" means the voluntary cases commenced by the Debtors under chapter 11 of the Bankruptcy Code, which are jointly administered by the Bankruptcy Court and styled as *In re LightSquared Inc.*, et al., Case No. 12-12080 (SCC).

"***Claim***" means any "claim" as defined in section 101(5) of the Bankruptcy Code,

against any LP Debtor.

"***Claims Agent***" means Kurtzman Carson Consultants LLC, or any other Person approved by the Bankruptcy Court to act as the Debtors' claims and noticing agent pursuant to section 156(c) of title 28 of the United States Code.

"***Class***" means each category of Claims or Equity Interests established under Article IV of the Plan pursuant to sections 1122 and 1123(a) of the Bankruptcy Code.

"***Closing***" means the consummation of all transactions required to close the LP Sale, after satisfaction of all applicable conditions to Closing, as set forth in the Asset Purchase Agreement.

"***Collateral***" means any property or interest in property of the Estates of the LP Debtors subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance or otherwise invalid under the Bankruptcy Code or applicable non-bankruptcy law.

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

"***Confirmation Hearing***" means the hearing held by the Bankruptcy Court, as it may be continued from time to time, to consider confirmation of the Plan.

"***Confirmation Order***" means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code and authorizing and directing the LP Debtors to execute the Asset Purchase Agreement (to the extent not executed as of the Confirmation Date) pursuant to sections 105(a), 365, 1123(b)(4), 1129, 1142(b) and 1146(a) of the Bankruptcy Code, in form and substance reasonably acceptable to the Plan Sponsors.

"***Confirmation Recognition Order***" means the order of the Canadian Court, which shall be in form and substance acceptable to the Plan Sponsors: (a) recognizing the entry of the Confirmation Order; and (b) vesting in the Purchaser (or, if applicable, the Alternative Purchaser) all of the LP Debtors' right, title and interest in and to the Acquired Assets that are owned, controlled, regulated or situated in Canada, free and clear of all liens, claims, charges, interests or other encumbrances, in accordance with applicable law and to the extent set forth in the Asset Purchase Agreement.

"***Contract and Lease Counterparties Notices***" has the meaning set forth in Section 10.1(b) of this Plan.

"***Cure Costs***" has the meaning set forth in Section 10.1(b) of this Plan.

"***Cure Dispute***" has the meaning set forth in Section 10.3(d) of this Plan.

"***Debtor***" means any of the entities identified in footnote 1 of this Plan.

"***Designated Contract***" has the meaning set forth in the Asset Purchase Agreement.

"***Disallowed Claim***" when used with respect to a Claim, means a Claim, or such portion of a Claim, that has been disallowed by a Final Order.

"***Disbursing Agent***" means, for purposes of making distributions under the Plan, the LP Debtors or a designee thereof.

"***Disclosure Statement***" means that certain disclosure statement describing the Plan, including, without limitation, all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017.

"***Disclosure Statement Order***" means the order entered by the Bankruptcy Court in the Chapter 11 Cases, in form and substance reasonably acceptable to the Plan Sponsors, (a) approving the Disclosure Statement as containing adequate information required under section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017, and (b) authorizing the use of the Disclosure Statement for soliciting votes on the Plan.

"***Disclosure Statement Recognition Order***" means the order of the Canadian Court, which shall be in form and substance acceptable to the Plan Sponsors, recognizing the entry of the Disclosure Statement Order.

"***Disputed Claim***" or "***Disputed [_____] Claim***" (with respect to a specific type of Disputed Claim, if specified) means, as of any relevant date, any Claim, or any portion thereof: (a) that is not an Allowed Claim or Disallowed Claim as of the relevant date; or (b) for which a Proof of Claim has been timely filed with the Bankruptcy Court or a written request for payment has been made, to the extent the LP Debtors, the Disbursing Agent or any party in interest has interposed a timely objection or request for estimation, which objection or request for estimation has not been withdrawn or determined by a Final Order as of the relevant date.

"***Disputed Claims Reserves***" means a reserve or reserves that may be established and maintained by the Disbursing Agent for the purpose of effectuating distributions to holders of Disputed Claims pending allowance or disallowance of such Claims in accordance with the Plan.

"***Distribution Account***" means an account or accounts, as applicable, maintained by the Disbursing Agent into which the Plan Consideration will be delivered and then distributed by the Disbursing Agent in accordance with the Plan or orders of the Bankruptcy Court.

"***Distribution Record Date***" means, with respect to all Classes, the third (3rd) Business Day after the Confirmation Date or such other date as shall be established by the Bankruptcy Court in (a) the Confirmation Order, or (b) upon request of the LP Debtors or the Plan Sponsors, a separate order of the Bankruptcy Court.

"***Effective Date***" means a date selected by the Plan Sponsors that shall be a Business Day that is no later than five (5) days after all of the conditions precedent set forth in Section 11.2 of this Plan have been satisfied or waived (to the extent such conditions can be waived).

"***Equity Interest***" means an interest (whether legal, equitable, contractual or otherwise) of any holder of any class of equity securities of any of the LP Debtors represented by shares of common or preferred stock or other instruments evidencing an ownership interest in any of the LP Debtors, including, without limitation, interests evidenced by membership or partnership interests, whether or not certificated, transferable, voting or denominated "stock" or a similar security, and any Claim or Cause of Action related to or arising from the foregoing, or any option, warrant or right, contractual or otherwise, to receive or acquire any such interest, and any right to payment or compensation based upon any such interest, whether or not such interest is owned by the holder of such right to payment or compensation.

"***Estate***" means each estate created in the Chapter 11 Cases pursuant to section 541 of the Bankruptcy Code.

"***Estimation Order***" means any order or orders of the Bankruptcy Court estimating for voting and/or distribution purposes (under section 502(c) of the Bankruptcy Code) the allowed amount of any Claim, including the Confirmation Order if the Confirmation Order grants such relief.

"***Existing Board***" means, with respect to each LP Debtor, the board of directors, board of managers or similar governing entity of such LP Debtor, including any general partner of an LP Debtor, prior to the Effective Date. For the avoidance of doubt, the "Existing Board" of LightSquared LP shall be the board of directors of its general partner, LightSquared GP Inc., including the Special Committee, acting on behalf and subject to the ultimate authority of such board, pursuant to the Special Committee Charter, and pursuant to and subject to the jurisdiction of the Bankruptcy Court and its orders, with respect to all actions permitted or required under the Plan, the Confirmation Order, and/or the Asset Purchase Agreement.

"***Existing LP Preferred Units Equity Interests***" means an Equity Interest in LightSquared LP arising from ownership of any outstanding non-voting Series A Preferred Units of LightSquared LP.

"***Existing Officers***" means, with respect to each LP Debtor, the officers of such LP Debtor immediately prior to the Effective Date.

"***Expense Reimbursement***" has the meaning given to such term in the Bid Procedures Order.

"***FCC***" means the Federal Communications Commission.

"***Fee Application***" means an application for allowance and payment of a Fee Claim (including Claims for "substantial contribution" pursuant to section 503(b) of the Bankruptcy Code).

"***Fee Claim***" means a Claim of a Professional Person for compensation, indemnification or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503(b) or 1103(a) of the Bankruptcy Code.

"***Final Order***" means (a) an order or judgment of the Bankruptcy Court or any other court or adjudicative body as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending, or (b) in the event that an appeal, writ of certiorari, reargument, or rehearing thereof has been taken or sought, such order of the Bankruptcy Court or any other court or adjudicative body shall have been affirmed by the highest court to which such order was appealed, or certiorari has been denied, or from which reargument or rehearing was sought, and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired; provided, that no order shall fail to be a Final Order solely because of the possibility that a motion pursuant to section 502(j) of the Bankruptcy Code, Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or Bankruptcy Rule 9024 may be filed with respect to such order.

"***Funding***" has the meaning given to such term in the Asset Purchase Agreement.

"***Funding Date***" has the meaning given to such term in the Asset Purchase Agreement.

"***Inc. Entity***" means any of LightSquared Inc.; LightSquared Investors Holdings Inc.; TMI Communications Delaware, Limited Partnership; LightSquared GP Inc.; One Dot Four Corp.; One Dot Six Corp.; One Dot Six TVCC Corp.; TVCC Holdings Company, LLC; TVCC Intermediate Corp.; Columbia One Six Partners IV, Inc.; Columbia FMS Spectrum Partners IV, Inc.; TVCC One Six Holdings LLC; CCMM I LLC; SkyTerra Rollup LLC; SkyTerra Rollup Sub LLC; or SkyTerra Investors LLC.

"***Inc. Entity General Unsecured Claim***" means a General Unsecured Claim held by any Inc. Entity against any LP Debtor.

"***Inc. Entity General Unsecured Claims Bar Date***" means the deadline by which Inc. Entity General Unsecured Claims must be filed, which shall be set forth in the Disclosure Statement Order.

"***Insured Claim***" means any Claim for which the LP Debtors or the holder of a Claim is entitled to indemnification, reimbursement, contribution or other payment under a policy of insurance wherein any of the LP Debtors is an insured or beneficiary of the coverage.

"***Intercompany Claim***" means a Claim held by any LP Debtor against any other

LP Debtor.

"***Lien***" has the meaning set forth in section 101(37) of the Bankruptcy Code.

"***LightSquared LP Lender Advisors***" means counsel to a LightSquared LP Lender that is a member of the Ad Hoc LP Secured Group (but does not include the Ad Hoc LP Secured Group Advisors).

"***LightSquared LP Lenders***" means those lenders from time to time party to the Prepetition LP Facility Credit Agreement.

"***LP Cash***" means the LP Debtors' Cash on hand as of the Funding Date.

"***LP Cash Collateral Order***" means the Amended Agreed Final Order (a) Authorizing Debtors to Use Cash Collateral, (b) Granting Adequate Protection to Prepetition LP Facility Secured Parties, and (c) Modifying Automatic Stay, which was entered as Docket No. 544 in the Chapter 11 Cases.

"***LP Common Equity Interests***" means the outstanding Equity Interests in LightSquared LP held by TMI Communications Delaware, Limited Partnership and LightSquared Investors Holdings Inc.

"***LP Debtors***" means each of LightSquared LP; ATC Technologies, LLC; LightSquared Inc. of Virginia; LightSquared Corp.; LightSquared Subsidiary LLC; Sky Terra Holdings (Canada) Inc.; SkyTerra (Canada) Inc.; LightSquared Finance Co.; LightSquared Network LLC; and LightSquared Bermuda Ltd.

"***LP General Unsecured Claim***" means any Claim against an LP Debtor other than an Administrative Claim, an LP Other Priority Claim, a Priority Tax Claim, a Fee Claim, U.S. Trustee Fees, an LP Other Secured Claim, a Prepetition LP Facility Claim, or an Intercompany Claim.

"***LP General Unsecured Claims Distribution***" means Plan Consideration in the form of Cash in an amount equal to $10,000,000.

"***LP Other Priority Claim***" means any Claim other than an Administrative Claim, a Fee Claim or a Priority Tax Claim, entitled to priority in right of payment under section 507(a) of the Bankruptcy Code.

"***LP Other Secured Claim***" means any Secured Claim against an LP Debtor other than the Prepetition LP Facility Claims.

"***LP Sale***" means the sale of the Acquired Assets under sections 105(a), 1123(a)(5), 1123(b)(4), 1129(b)(2)(A), 1141, 1145 and 1146(a) of the Bankruptcy Code under terms and conditions of the Asset Purchase Agreement free and clear of any Claims, Liens, interests, or encumbrances.

"***LP Sale Proceeds***" means all Cash proceeds and other consideration deliverable to the LP Debtors from the LP Sale in accordance with the Asset Purchase Agreement.

"***Notice of Effective Date***" means the notice of the occurrence of the Effective Date to be filed with the Bankruptcy Court and mailed, as necessary, to holders of Claims and Equity Interests.

"***Parent Entity***" means DISH Network Corporation.

"***Person***" means an individual, corporation, partnership, limited liability company, joint venture, association, indenture trustee, organization, joint stock company, trust, estate, unincorporated association, unincorporated organization, governmental entity, or political subdivision thereof, Equity Interest holder or any other entity or organization.

"***Petition Date***" means May 14, 2012.

"***Plan***" means this chapter 11 plan, including all exhibits, supplements, appendices, and schedules hereto, either in its present form or as it may be amended, supplemented, or otherwise modified from time to time (but solely in accordance with the terms hereof), in form and substance reasonably acceptable to the Plan Sponsors.

"***Plan Consideration***" means LP Cash and LP Sale Proceeds less the amount of Cash necessary to fund the Wind Down Reserve.

"***Plan Distribution***" means a payment or distribution to holders of Allowed Claims or Allowed Equity Interests under the Plan or an Advance Payment Order.

"***Plan Distribution Date***" means, with respect to any Claim or Equity Interest, (a) if such Claim or Equity Interest is then an Allowed Claim or Allowed Equity Interest, (i) the Effective Date or a date that is as soon as reasonably practicable and permissible after the Effective Date, or (ii) a date as may be set forth in an Advance Payment Order or as soon as reasonably practicable and permissible after such date; or (b) if such Claim or Equity Interest is not then an Allowed Claim or Allowed Equity Interest, a date that is as soon as reasonably practicable and permissible after the date such Claim or Equity Interest becomes allowed after the Effective Date or other date set forth in an Advance Payment Order.

"***Plan Documents***" means the documents, other than the Plan and the Asset Purchase Agreement, to be executed, delivered, assumed, and/or performed in connection with the consummation of the Plan, including, without limitation, the documents to be included in the Plan Supplement and the Schedule of Rejected Executory Contracts and Unexpired Leases, each of which shall be in form and substance reasonably acceptable to the Plan Sponsors and filed with the Bankruptcy Court as specified in the Plan.

"***Plan Sponsor Fee Claims***" means all Claims for the reasonable out-of-pocket expenses incurred by the Plan Sponsors.

"***Plan Sponsors***" means the holders of Prepetition LP Facility Claims listed on Schedule 1 hereto, solely in their capacities as sponsors of this Plan.

"***Plan Supplement***" means the supplemental appendix to this Plan, to be filed no later than five (5) calendar days prior to the Voting Deadline, which will contain, among other things, draft forms, signed copies, or summaries of material terms, as the case may be, of the Plan Documents; provided, that such supplemental appendix may be amended, supplemented or modified from time to time after the Voting Deadline in accordance with the terms of this Plan, the Bid Procedures Order and the Confirmation Order.

"***Prepetition LP Facility Agent***" means UBS AG, Stamford Branch and any successor thereto, in its capacity as administrative agent on behalf of the LightSquared LP Lenders under the Prepetition LP Facility Credit Agreement.

"***Prepetition LP Facility Claims***" means any Claim of the Prepetition LP Facility Secured Parties under the Prepetition LP Facility Credit Documents, inclusive of Prepetition LP Facility Principal, Prepetition LP Facility Prepetition Interest, Prepetition LP Facility Postpetition Interest and all applicable fees and premiums due and owing under the Prepetition LP Facility Credit Documents (including the Prepetition LP Facility Repayment Premium), in each case, unless the Bankruptcy Court orders otherwise.

"***Prepetition LP Facility Credit Agreement***" means that certain Credit Agreement, dated as of October 1, 2010, by and among LightSquared LP, as borrower, LightSquared Inc., the other Prepetition LP Facility Parent Guarantors and the Prepetition LP Facility Subsidiary Guarantors, as guarantors, and the LightSquared LP Lenders party thereto (as amended, supplemented, amended and restated, or otherwise modified from time to time).

"***Prepetition LP Facility Credit Documents***" means any related agreements, instruments and other documents executed and delivered in connection with the Prepetition LP Facility Credit Agreement (each as amended, supplemented, amended and restated or otherwise modified from time to time).

"***Prepetition LP Facility Parent Guarantors***" means LightSquared Inc., LightSquared Investors Holdings Inc., LightSquared GP Inc., and TMI Communications Delaware, Limited Partnership.

"***Prepetition LP Facility Postpetition Interest***" means all interest owed to the Prepetition LP Facility Secured Parties pursuant to the Prepetition LP Facility Credit Documents from and after the Petition Date less the amount of adequate protection payments made by LightSquared LP during the Chapter 11 Cases pursuant to the LP Cash Collateral Order (exclusive of Professional Fees (as defined in the LP Cash Collateral Order) paid in accordance with the LP Cash Collateral Order).

"***Prepetition LP Facility Prepetition Interest***" means all interest owed to the Prepetition LP Facility Secured Parties pursuant to the Prepetition LP Facility Credit

Documents prior to the Petition Date.

"***Prepetition LP Facility Principal***" means the principal amount owed to the Prepetition LP Facility Secured Parties pursuant to the Prepetition LP Facility Credit Documents as of the Petition Date.

"***Prepetition LP Facility Repayment Premium***" means the repayment premium due and owing pursuant to § 2.10(f) of the Prepetition LP Facility Credit Agreement.

"***Prepetition LP Facility Secured Parties***" means the Prepetition LP Facility Agent and the LightSquared LP Lenders.

"***Prepetition LP Facility Subsidiary Guarantors***" means ATC Technologies; LLC; LightSquared Corp.; LightSquared Inc. of Virginia; LightSquared Subsidiary LLC; SkyTerra Holdings (Canada) Inc.; and SkyTerra (Canada) Inc.

"***Priority Tax Claim***" means a Claim that is of a kind specified in section 507(a)(8) of the Bankruptcy Code.

"***Professional Person***" means all Persons retained by order of the Bankruptcy Court in connection with the Chapter 11 Cases, pursuant to sections 327, 328, 330 or 1103 of the Bankruptcy Code, excluding any ordinary course professionals retained pursuant to an order of the Bankruptcy Court.

"***Proof of Claim***" means the proof of Claim that must be filed by a holder of a Claim by the deadline, if any, designated by the Bankruptcy Court as the deadline for filing proofs of Claim against any of the LP Debtors.

"***Pro Rata Share***" means the proportion that an Allowed Claim or Equity Interest bears to the aggregate amount of all Claims or Equity Interests in a particular Class, including, with respect to Classes of Claims, Disputed Claims, but excluding Disallowed Claims, (a) as calculated by the Disbursing Agent; or (b) as determined or estimated by the Bankruptcy Court.

"***Purchaser***" shall have the meaning set forth in the Bid Procedures Order, identifying the Qualified Bidder submitting the highest and best bid for the Assets of the LP Debtors to be sold pursuant to the Auction.

"***Qualified Bidder***" means a Person eligible to submit a bid pursuant to the Bid Procedures Order.

"***Released Parties***" means (a) the LP Debtors, (b) the Ad Hoc LP Secured Group and each member thereof, (c) the Plan Sponsors, (d) the Stalking Horse Bid Parties, (e) the Purchaser, (f) each LightSquared LP Lender, (g) the Prepetition LP Facility Agent, (h) the present and former directors, officers, managers, equity holders, agents, successors, assigns, attorneys, accountants, consultants, investment bankers, bankruptcy and restructuring advisors, financial advisors of the parties listed in (a) through (g), in

each case in their capacity as such, (i) each of the respective affiliates of the parties listed in (a) through (h), in their capacity as such, and (j) any Person claimed to be liable derivatively through any of the foregoing; provided, however, that neither the Purchaser nor the LP Debtors shall be deemed to be a Released Party as against one another with respect to each such party's right to enforce the Asset Purchase Agreement against the other party.

"***Retained Assets***" means the LP Debtors' Assets that are excluded from the LP Sale pursuant to the terms and conditions of the Asset Purchase Agreement.

"***Schedule of Assumed Executory Contracts and Unexpired Leases***" means a schedule of the contracts and leases to be assumed by the LP Debtors or assumed by the LP Debtors and assigned to an entity other than the Purchaser (or, if applicable, the Alternative Purchaser) pursuant to Article X of this Plan, the initial version of which shall be filed with the Bankruptcy Court by the LP Debtors no later than November 22, 2013, as the same may be amended or modified from time to time.

"***Schedules***" means, unless otherwise stated, the schedules of assets and liabilities and list of Equity Interests and the statements of financial affairs filed by the LP Debtors with the Bankruptcy Court, as required by section 521 of the Bankruptcy Code and in conformity with the Official Bankruptcy Forms or the Bankruptcy Rules, as such schedules and statements have been or may be amended or supplemented from time to time in accordance with Bankruptcy Rule 1009.

"***Secured Claim***" means a Claim, either as set forth in this Plan, as agreed to by the holder of such Claim and the Plan Sponsors or LP Debtors, as applicable, or as determined by a Final Order in accordance with sections 506(a) and 1111(b) of the Bankruptcy Code: (a) that is secured by a valid, perfected and enforceable Lien on Collateral, to the extent of the value of the Claim holder's interest in such Collateral as of the Confirmation Date; or (b) to the extent that the holder thereof has a valid right of setoff pursuant to section 553 of the Bankruptcy Code.

"***Special Committee***" means the special committee of the Existing Board of LightSquared LP pursuant to the Special Committee Charter.

"***Special Committee Charter***" means the Special Committee Charter for LightSquared GP Inc., substantially in the form attached as Exhibit A-2 to LightSquared's Omnibus Objection to (I) Bid Procedures Motion of Ad Hoc Secured Group of LightSquared LP Lenders and (II) Bid Procedures Motion of U.S. Bank National Association and Mast Capital Management, LLC, which was entered as Docket No. 847 in the Chapter 11 Cases.

"***Specified Regulatory Approvals***" has the meaning given to such term in the Asset Purchase Agreement.

"***Stalking Horse Agreement***" means that certain asset purchase agreement, dated [_____ __], 2013, executed by the Stalking Horse Bid Parties setting forth the terms

of the Stalking Horse Bidder's offer for the Acquired Assets.

"***Stalking Horse Bid***" means the initial bid of the Stalking Horse Bidder pursuant to the Stalking Horse Agreement, pursuant to which the Stalking Horse Bidder has offered a cash purchase price of $2.22 billion for the Acquired Assets.

"***Stalking Horse Bidder***" means L-Band Acquisition, LLC, a Delaware limited liability company, in its capacity as the stalking horse bidder under the Stalking Horse Agreement.

"***Stalking Horse Bid Parties***" means the Stalking Horse Bidder and the Parent Entity.

"***Successful Bid***" means the bid selected as the highest or otherwise best bid for the Acquired Assets in accordance with the Bid Procedures Order.

"***Unclassified Claims***" means Administrative Claims, Fee Claims, U.S. Trustee Fees and Priority Tax Claims against the LP Debtors.

"***U.S. Trustee***" means the Office of the U.S. Trustee for Region 2, Southern District of New York.

"***U.S. Trustee Fees***" means fees arising under section 1930(a)(6) of title 28 of the United States Code and, to the extent applicable, accrued interest thereon arising under section 3717 of title 31 of the United States Code, each as determined by the Bankruptcy Court at the Confirmation Hearing.

"***Voting Deadline***" means [_____ __], 2013, at 5:00 p.m. (prevailing Eastern time), or such later date as may be determined by the Plan Sponsors or as otherwise determined by the Bankruptcy Court.

"***Wind Down***" means the wind down of the LP Debtors in accordance with the Plan, as more fully set forth in Article VII herein.

"***Wind Down Reserve***" has the meaning set forth in Section 7.1 of this Plan.

Schedule 1

Plan Sponsors

1. Capital Research and Management Company
2. Cyrus Capital Partners, L.P.
3. Fir Tree Capital Opportunity Master Fund, L.P.
4. Intermarket Corporation
5. SP Special Opportunities, LLC
6. UBS AG, Stamford Branch

EXHIBIT B

ORGANIZATIONAL CHART

LIGHTSQUARED ORGANIZATIONAL CHART

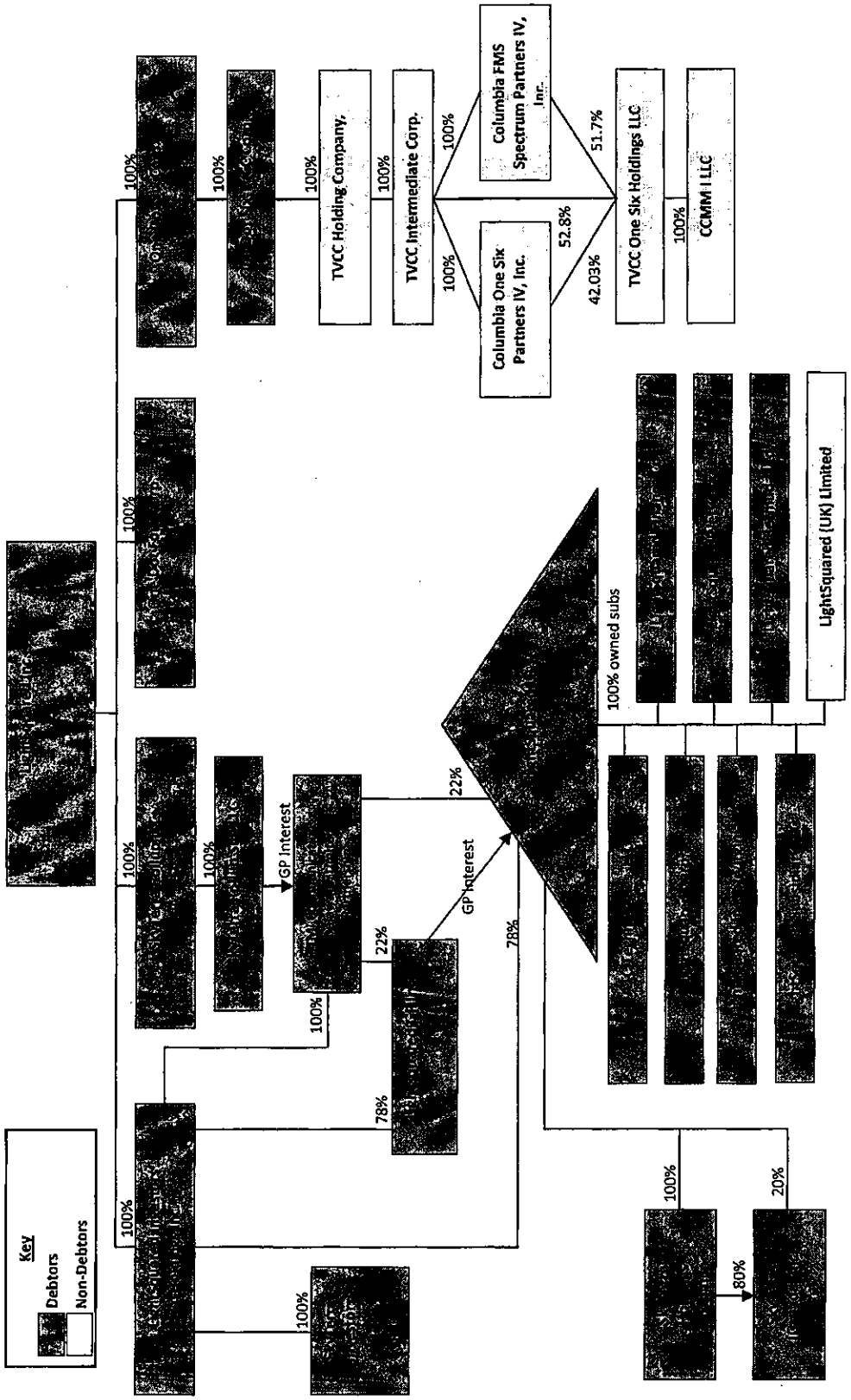

EXHIBIT C

LIQUIDATION ANALYSIS

Introductory Notes

General Assumptions

The Liquidation Analysis assumes that the Debtors' Chapter 11 Cases are converted to liquidation cases under Chapter 7 of the Bankruptcy Code on December 31, 2013. The Bankruptcy Court-appointed Chapter 7 Trustee would proceed to liquidate all of the Debtors' assets over a twelve-month period and the cases would conclude on December 31, 2014. A twelve-month wind-down period is assumed due to the fact that certain key assets of the Debtors will require regulatory approvals to enable a transfer of control, and such approvals could take six to nine months to obtain. The Liquidation Analysis assumes that the Debtors' assets, including their spectrum and satellite assets as well as their mobile satellite services business, would be sold in the aggregate as a going concern to maximize liquidation value. To the extent the various assets are instead sold individually, on a piecemeal basis, liquidation values would be significantly below those shown in this Liquidation Analysis. The Liquidation Analysis does not include any potential recovery from lawsuits that the Debtors could file, or any value related to Net Operating Losses at any of the Debtor entities.

Cash and Equivalents

The "Cash and Equivalents" balances are the projected cash balances as of December 31, 2013 based on the Debtors' cash forecast. Cash will be used for payroll and overhead costs prior to liquidation. The Liquidation Analysis assumes that, to the extent necessary to fund operations, LightSquared LP will use cash currently reflected on the books of TMI Communications Delaware, LP.

Investment Securities

"Investment Securities" consist of short-term marketable securities insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States. The Debtors do not expect to have any "Investment Securities" balance as of December 31, 2013 as these assets are expected to be converted into Cash & Equivalents by that point in time.

Accounts Receivable

The "Accounts Receivable" balance represents outstanding amounts due for the sale of service and equipment to the Debtors' customers. Customers include wholesalers, which resell mobile satellite voice and data services, and private network capacity customers.

Inventory

The Debtors' "Inventory" consists primarily of satellite phones and antenna equipment purchased from manufacturers and held for sale.

Other Property, Plant & Equipment

The Debtors' "Property, Plant & Equipment" (excluding satellites and related equipment) include office furniture and equipment, office network equipment, and leasehold improvements.

Satellite System Under Construction

The "Satellite System Under Construction" represents the cost of the Debtors' SkyTerra-2 satellite (currently in storage) and the related ground systems. The Book Value of the "Satellite System Under Construction" also includes performance incentive payments expected to be paid to the satellite manufacturer and capitalized interest and labor associated with the construction of the satellite.

The estimated Liquidation Value of the Satellite Based Network is based on an estimated gross recovery rate on the SkyTerra-2 satellite and related ground systems, which is approximately 35% to 45% of Book Value, or a value range of $150 million to $200 million. The analysis then reduces the estimated gross liquidation value of the "Satellite System Under Construction" assets by obligations and other costs associated with these assets, including the payment of orbital performance incentives and liquidated damage earnbacks owed to the satellite manufacturer.

Satellite Based Network

The "Satellite Based Network" represents the cost of the Debtors' SkyTerra-1 satellite and related ground systems. The SkyTerra-1 satellite has been in orbit since November 2010, and the satellite was placed into service in February 2011 when the Debtors took full ownership. The Book Value of the "Satellite Based Network" also includes costs associated with launch (including launch insurance), performance incentive payments expected to be paid to the satellite manufacturer (recorded at their present value), and capitalized interest and labor associated with the construction of the satellite.

The estimated Liquidation Value of the Satellite Based Network is based on an estimated gross recovery rate on the SkyTerra-2 satellite and related ground systems (see "Satellite System Under Construction"). The SkyTerra-2 satellite system provides a reasonable comparable for the SkyTerra-1 system due to the fact that these systems are nearly identical. Despite the fact that the SkyTerra-1 satellite has been launched, the satellite can be moved to cover other geographies at a modest cost in terms of reduced fuel life and a modest investment in ground infrastructure. Furthermore, the fact that SkyTerra-1 has been successfully launched is a positive contributor to value due to the fact that it significantly reduces risks associated with the program. Therefore, the Liquidation Analysis captures an additional $150 million in value for SkyTerra-1 by including system costs associated with the launch of the satellite, including launch insurance. The analysis then reduces the estimated gross liquidation value of the "Satellite Based Network" assets by obligations and other costs associated with these assets, including (i) the payment of

orbital performance incentives and liquidated damage earnbacks owed to the satellite manufacturer, (ii) a discount based on the expected useful life of SkyTerra-1 due to the fact that its 15-year useful design life began in February 2011 upon being placed into service, and (iii) estimated incremental costs associated with moving the satellite to a new geography, to the extent required by a potential purchaser.

Network Under Construction

"Network Under Construction" refers to the cost of equipment to build the Debtors' LTE terrestrial wireless network. Equipment includes IP networking gear, LTE base station gear, and servers.

Spectrum

L-Band Spectrum:

"Spectrum" Book Value is partially based on the Debtors' access to up to 46 MHz of L-band spectrum. The Book Value includes the amortized cost for the fair value adjustment recorded at the time in which SkyTerra Communications (LightSquared's predecessor company) was acquired by Harbinger Capital Partners' investment funds in March 2010. At the time of the acquisition, the Debtors recorded a fair value of $2.16 billion for these assets. Additional value related to the Inmarsat Cooperation Agreement is also captured in the Book Value of the spectrum.

As it relates to the Debtors' L-Band spectrum, the Liquidation Analysis is consistent with a comparable set of precedent spectrum/satellite bankruptcies -- DBSD North America, Inc. and TerreStar Networks Inc. The estimated liquidation value for the L-Band spectrum is shown net of the present value of the future obligations required under the Inmarsat Cooperation Agreement.

1670-1675 MHz Spectrum:

The other key component of "Spectrum" Book Value is related to One Dot Six Corp.'s sub-license of 5 MHz of spectrum in the 1670–1675 MHz band. The sub-license is effective until October 1, 2013 and has a maximum of one ten-year renewal option and an option to purchase the underlying 1.6 GHz spectrum license each October 1st beginning October 1, 2013 for $130.0 million plus an increase related to the consumer price index from 2007 until the date acquired (estimated cost of approximately $150 million as of October 1, 2013). If licensee is granted a renewal of less than ten years, Debtor can only sub-license the spectrum for the term licensee is awarded or a maximum of ten years. The Debtor recently renewed the sub-license for an additional 10-year term. The Book Value of the "Spectrum" includes the amortized cost for the fair value recorded at the time in which Harbinger contributed the spectrum to One Dot Six Corp in October 2010. At the time of the contribution, the One Dot Six Corp recorded a fair value of $40.7 million for the asset, and assumed that the book value would be amortized over a 3-year period based on the duration of the sub-license in place at the time.

The estimated liquidation value of the 1670-1675 MHz spectrum was based on pricing achieved in Auction 66. A discount was applied to account for the spectrum being unpaired. An additional discount was then applied for a distressed sale scenario. The estimated liquidation of the 1670-1675 MHz spectrum is also net of the costs associated with exercising the purchase option on these assets.

The analysis assumes additional value of approximately $4.5 million related to certain expenditures of the Debtor in connection with the build-out of a broadcast network utilizing the 1670-1675 MHz spectrum. Items captured in this value include transmitters, cabinets, racks, antennae, construction and acquisition costs related to the 1670-1675 MHz network deployment.

Other Current Assets

"Other Current Assets" include prepaid expenses, vendor deposits, and certain receivables due from TerreStar, Inc.

Other Non-Current Assets

"Other Non-Current Assets" include debt issuance costs and long-term prepaid expenses. No recovery is expected related to these assets.

Patents/Other Intangibles

The book value of the Debtors' "Patents and Other Intangibles" consists primarily of their patent portfolio which includes know-how necessary to deploy and operate a satellite network in the same spectrum frequencies as a terrestrial-based network.

Costs Associated with Liquidation

Estimated amounts for corporate payroll and certain operating costs during the twelve-month liquidation period are based upon the assumption that certain corporate functions would be retained to oversee the liquidation process. Some staff would also be needed to maintain and close the accounting records and to complete certain administrative tasks including payroll, tax forms, and records. Certain minimum staff would be required at the physical locations to complete the closure of the facilities, disassemble the equipment, and oversee the sale process of spectrum, spectrum sub-lease, and equipment.

Chapter 7 trustee fees include those fees associated with the appointment of a Chapter 7 trustee in accordance with section 326 of the Bankruptcy Code.

Chapter 7 professional fees include legal, appraisal, broker, and accounting fees expected to be incurred during the twelve-month liquidation period and not already deducted from liquidation values.

Carve-Out for Professional Fees

Carve-Out includes estimated accrued and unpaid professional fees and disbursements at December 31, 2013.

Secured Claims

The Debtors' Secured Claims consist of amounts owed under the DIP Inc. Facility, amounts owed under the Prepetition LP Credit Facility, and amounts owed under the Prepetition Inc. Credit Facility, as indicated.

Administrative Claims, Priority Tax Claims, and Other Priority Claims

Administrative Claims, Priority Tax Claims, Other Priority Claims, Chapter 11 Postpetition Accounts Payable, and Accrued Liabilities include unpaid postpetition operating expenses of the Debtors' estates as projected at December 31, 2013, assuming the amount of trade credit advanced by creditors during the Chapter 11 Cases remains comparable to the actual amount of trade credit advanced at July 31, 2013. Administrative Claims are assumed to be paid on a *pro rata* basis from the net proceeds, if any, remaining after the payment of, and distributions on account of, liquidations costs, the Carve-Out, and Secured Claims. Priority Tax Claims are assumed to be paid on a *pro rata* basis from the net proceeds available, if any, after the payment of and distributions on account of liquidation costs, the Carve-Out, Secured Claims, and Administrative Claims. Other Priority Claims, Chapter 11 Postpetition Accounts Payable, and Accrued Liabilities would be paid in the priority as set forth in the Bankruptcy Code.

General Unsecured Claims

For purposes of the Liquidation Analysis, the Debtor's management has assumed that unsecured claims will consist of estimated General Unsecured Claims as defined in the Plan. It should be noted that the Liquidation Analysis does not attempt to estimate potential additional General Unsecured Claims that would likely arise as a result of the rejection of remaining executory contracts and unexpired leases or the failure of the Debtors to perform under existing contracts with their suppliers. Such additional claims would likely result from a cessation of operations as contemplated in a Chapter 7 Liquidation and would likely be substantial in amount. Additionally, potential litigation claims have not been included. General Unsecured Claims do, however, include prepetition intercompany payables, costs associated with the assumed rejection of employment contracts, and repayment fees associated with the Prepetition LP Credit Facility. General Unsecured Claims are assumed to be paid on a *pro rata* basis from the net liquidation proceeds available, if any, after distributions on account of all other Claims at each Debtor entity.

Liquidation Analysis
LightSquared Inc. and Related Entities
($ in millions, Unaudited)

	LightSquared LP Subsidiaries and/or Guarantors													*LightSquared Inc. Guarantors*			*LightSquared Inc. and Misc. Entities*				
	12-12081	12-12086	12-12082	12-12092	12-12094	12-12089	12-12083	12-12088	12-12085	12-12093	12-12091	12-12098	12-12097	12-12084	12-12095	12-12096	12-12080	12-12101	12-12102	12-12099	
	LightSquared LP	ATC Tech., LLC	LightSquared Corp.	LightSquared Inc. of Virginia	LightSquared Subsidiary LLC	LightSquared Finance Co.	LightSquared Network LLC	LightSquared Bermuda Ltd.	TMI Comm. Delaware, Ltd. Partship	LightSquared Inv. Holdings Inc.	LightSquared GP Inc.	SkyTerra Holdings (Canada) Inc.	SkyTerra (Canada) Inc.	One Dot Six Corp.	One Dot Four Corp.	One Dot Six TVCC Corp.	LightSquared Inc.	SkyTerra Rollup LLC	SkyTerra Rollup Sub LLC	SkyTerra Investors LLC	Consol.
Hypothetical Recovery % to Holders of:																					
Claims Satisfied by Professional Fees Carve-Out	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%
Secured Claims of Inc. DIP Loan Facility at One Dot Six Corp.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Secured Guarantee Claims of Prepetition Inc. Lenders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	49.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	49.4%
Secured Claims at LightSquared LP	53.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	35.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	90.4%
507(b) Claim of Prepetition LP Lenders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.4%
507(b) Claim of Prepetition Inc. Lenders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Administrative Claims, Priority Tax Claims, and Other Priority Claims	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Unsecured Claims	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Exchangeable Preferred Equity (LP)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Convertible Preferred Equity (Inc.)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Liquidation Analysis
LightSquared Inc. and Related Entities
($ in millions, Unaudited)

	LightSquared Inc.	LightSquared LP Subsidiaries and/or Guarantors											
	12-12081	12-12086	12-12082	12-12092	12-12094	12-12089	12-12083	12-12085	12-12095	12-12093	12-12091	12-12090	12-12097
	LightSquared LP	SLC Technologies, LLC	LightSquared Corp.	LightSquared Inc. of Virginia	LightSquared Subsidiary LLC	LightSquared Finance Co.	LightSquared Network LLC	LightSquared Bermuda Ltd.	LSII Communications Delaware, LP	LightSquared Investor Holdings Inc.	LightSquared GP Inc.	SkyTerra Holdings (Canada) Inc.	SkyTerra (Canada) Inc.
Gross Estimated Liquidation Proceeds[1]													
Cash & Equivalents at Conversion	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 9.25	$ -	$ -	$ -	$ -
Investment Securities	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Receivable	0.68	0.08	0.49	-	-	-	-	-	-	-	-	-	-
Inventory	1.09	-	-	-	-	-	-	-	-	-	-	-	-
Other PP&E	0.35	-	-	-	-	-	-	-	-	-	-	-	-
Satellite System Under Construction	146.21	-	2.84	-	-	-	-	-	-	-	-	-	-
Satellite Based Network	161.50	-	11.60	-	-	-	-	-	-	-	-	-	-
Network Under Construction	-	-	0.24	-	-	-	0.84	-	-	-	-	-	-
Spectrum[2]	894.10	-	-	-	-	-	-	-	-	-	-	-	782.60
Other Current Assets	0.45	-	0.02	-	-	-	-	-	-	-	-	-	0.02
Other Non-Current Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity Interest (Network to LP)	0.84	-	-	-	-	-	(0.84)	-	-	-	-	-	-
Patents / Other Intangibles	-	16.05	-	-	-	-	-	-	-	-	-	-	-
Gross Estimated Liquidation Proceeds Available for Distribution (1)	$ 1,206.92	$ 16.13	$ 15.19	$ -	$ -	$ -	$ -	$ -	$ 9.25	$ -	$ -	$ -	$ 782.62
Costs Associated with Liquidation:													
Chapter 7 Trustee Fees[3]	27.14	0.41	0.34	-	-	-	-	-	0.21	-	-	-	17.61
Chapter 7 Professional Fees[4]	13.06	0.19	0.15	-	-	-	-	-	0.09	-	-	-	7.61
Wind-down Costs	31.45	0.36	0.99	-	-	-	-	-	-	-	-	-	0.50
Net Estimated Proceeds Available for Distribution	1,135.31	15.18	13.70	-	-	-	-	-	8.95	-	-	-	756.39
Less Professional Fees Carve-Out													
Total Carve-Out for Professional Fees[5]	7.3	-	-	-	-	-	-	-	-	-	-	-	-
Hypothetical Recovery to Holders of Claims Satisfied by Carve-Out	7.3	-	-	-	-	-	-	-	-	-	-	-	-
% Recovery	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
[illegible] Available after Distribution on Account of Carve-Out	1,128.00	17.18	13.70	-	-	-	-	-	8.95	-	-	-	756.39
Less Secured Claims at LightSquared LP													
Prepetition LP Loan[15]	2,119.00	2,119.00	2,119.00	2,119.00	2,119.00							2,119.00	2,119.00
Hypothetical Recovery to Holders of Secured Claims	1,128.06	17.18	13.70	-	-				-	-	-	-	756.39
% Recovery	53.5%	0.8%	0.6%	0.0%	0.0%				0.0%	0.0%	0.0%	0.0%	35.7%
Proceeds Available after Distribution on Account of Secured Claims at LightSquared LP	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8.95	$ -	$ -	$ -	$ -
Less 507(b) Claim of Prepetition LP Lenders													
507(b) Claim of Prepetition LP Lenders[16]									203.64	203.64	203.64		
Prepetition Inc. Loan – Non-Affiliate									-	-	-		
Prepetition Inc. Loan – Affiliate									-	-	-		
									203.64	203.64	203.64		
Hypothetical Recovery to Holders of 507(b) Claims and Prepetition Inc. Loan Claims									8.95	-	-		
% Recovery									4.4%	0.0%	0.0%		
Proceeds Available after Distribution on Account of 507(b) Claims and Prepetition Inc. Loan Claims	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less Administrative Claims, Priority Tax Claims, and Other Priority Claims													
Administrative Claims, Priority Tax Claims, Other Priority Claims, Chapter 11 Postpetition Accounts Payable and Accrued Liabilities (10)	7.82	0.05	1.09	-	-	-	-	-	-	-	-	-	-
Hypothetical Recovery to Holders of Administrative Claims, Priority Tax Claims, and Other Priority Claims	-	-	-	-	-	-	-	-	-	-	-	-	-
% Recovery	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Proceeds Available after Distribution on Account of Administrative Claims, Priority Tax Claims, and Other Priority Claims	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Less General Unsecured Claims													
General Unsecured Claims[17]	75.76	-	0.09	-	-	-	-	-	-	-	-	-	-
Hypothetical Recovery to Holders of Unsecured Claims	-	-	-	-	-	-	-	-	-	-	-	-	-
% Recovery													
Proceeds Available after Distribution on Account of General Unsecured Claims	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Less Exchangable Preferred Equity (LP)													
Exchangable Preferred Equity (LP)[18]	296.10	-	-	-	-	-	-	-	-	-	-	-	-
Hypothetical Recovery to Holders of Exchangable Preferred Equity (LP)	-	-	-	-	-	-	-	-	-	-	-	-	-
% Recovery	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Proceeds Available after Distribution on Account of Exchangable Preferred Equity (LP)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0

Liquidation Analysis
LightSquared Inc. and Related Entities
($ in millions, Unaudited)

	LightSquared Inc. Guarantee		
	12-12080	12-12085	12-12096
	One Dot Six Corp.	One Dot Four Corp.	One Dot Six TVCC Corp.
Gross Estimated Liquidation Proceeds [1]			
Cash & Equivalents at Conversion	$ 4.87	$ -	$ -
Investment Securities	-	-	-
Accounts Receivable	-	-	-
Inventory	-	-	-
Other PP&E	-	-	-
Satellite System Under Construction	-	-	-
Satellite Based Network	-	-	-
Network Under Construction	-	-	-
Spectrum [2]	309.51	-	-
Other Current Assets	0.11	-	-
Other Non-Current Assets	-	-	-
Equity Interest (Network is LP)	-	-	-
Patents / Other Intangibles	-	-	-
Gross Estimated Liquidation Proceeds Available for Distribution [1]	$ 314.50	$ -	$ -
Costs Associated with Liquidation			
Chapter 7 Trustee Fees [3]	7.05	-	-
Chapter 7 Professional Fees [3]	3.14	-	-
Wind-down Costs	15.70	-	-
Net Estimated Proceeds Available for Distribution	288.59	-	-
Less Professional Fees Carve-Out			
Total Carve-Out for Professional Fees [4]	1.7	-	-
Hypothetical Recovery to Holders of Claims Satisfied by Carve-Out	1.7	-	-
% Recovery	100.0%	0.0%	0.0%
Gross Proceeds Available for Distribution on Account of the LightSquared			
Less Secured Claims of Inc. DIP Loan Facility at One Dot Six Corp.			
Inc. DIP Facility [5][6]	66.41	66.41	66.41
Hypothetical Recovery to Holders of Secured Claims	66.41	-	-
% Recovery	100.0%	0.0%	0.0%
Proceeds Available after Distribution on Account of Secured Claims at One Dot Six Corp.	$ 217.48	$ -	$ -
Less Secured Claims of Preptition Inc. Lenders (If applicable)			
Secured Claims of Prepetition Inc. Loan -- Non-Affiliate	281.40	281.40	281.40
Secured Claims of Prepetition Inc. Loan -- Affiliate	156.58	156.58	156.58
Hypothetical Recovery to Holders of Secured Claims	217.48	-	-
% Recovery	49.4%	0.0%	0.0%
Proceeds Available after Distribution on Account of Secured Guarantee Claims at One Dot Six Corp.	$ -	$ -	$ -
Less 507(b) Claim of Prepetition Inc. Lenders (If applicable)			
507(b) Claim of Prepetition Inc. Loan -- Non-Affiliate [7]	68.02	68.02	68.02
507(b) Claim of Prepetition Inc. Loan -- Affiliate [7]	156.58	156.58	156.58
	224.75	224.75	224.75
Hypothetical Recovery to Holders of 507(b) Claims	-	-	-
% Recovery	0.0%	0.0%	0.0%
Proceeds Available after Distribution on Account of 507(b) Claims	$ -	$ -	$ -
Less Administrative Claims, Priority Tax Claims, and Other Priority Claims			
Administrative Claims, Priority Tax Claims, Other Priority Claims, Chapter 11 Prepetition Accounts Payable and Accrued Liabilities [10]	1.36	-	-
Hypothetical Recovery to Holders of Administrative Claims, Priority Tax Claims, and Other Priority Claims	-	-	-
% Recovery	0.0%	0.0%	0.0%
Proceeds Available after Distribution on Account of Administrative Claims, Priority Tax Claims, and Other Priority Claims	$ -	$ -	$ -
Less General Unsecured Claims			
General Unsecured Claims [11]	0.05	-	-
Hypothetical Recovery to Holders of Unsecured Claims	-	-	-
% Recovery	0.0%	0.0%	0.0%
Proceeds Available after Distribution on Account of General Unsecured Claims	$0.0	$0.0	$0.0

Liquidation Analysis
LightSquared Inc. and Related Entities
($ in millions, Unaudited)

	LightSquared Inc. and Subs. Debtors			
	12-12080	12-12081	12-12082	12-12099
	LightSquared Inc.	SkyTerra Rollup LLC	SkyTerra Rollup Sub LLC[4]	SkyTerra Investors LLC
Gross Estimated Liquidation Proceeds[1][2]				
Cash & Equivalents at Conversion	$ 1.22	$ -	$ -	$ -
Investment Securities	-	-	-	-
Accounts Receivable	-	-	-	-
Inventory	-	-	-	-
Other PP&E	-	-	-	-
Satellite System Under Construction	-	-	-	-
Satellite Based Network	-	-	-	-
Network Under Construction	-	-	-	-
Spectrum[12]	-	-	-	-
Other Current Assets	1.91	-	-	-
Other Non-Current Assets	-	-	-	-
Equity Interest (Network to LP)	-	-	-	-
Patents / Other Intangibles	-	-	-	-
Gross Estimated Liquidation Proceeds Available for Distribution (1)	$ 3.13	$ -	$ -	$ -
Costs Associated with Liquidation				
Chapter 7 Trustee Fees[13]	0.07	-	-	-
Chapter 7 Professional Fees[13]	0.03	-	-	-
Wind-down Costs	2.11	-	-	-
Net Estimated Proceeds Available for Distribution	0.91	-	-	-
Less Professional Fees Carve-Out				
Total Carve-Out for Professional Fees[14]	0.9	-	-	-
Hypothetical Recovery to Holders of Claims Satisfied by Carve-Out	0.9	-	-	-
% Recovery	100.0%	0.0%	0.0%	0.0%
Gross Proceeds Available after Distribution on Account of the Carve-Out	$ -	$ -	$ -	$ -
Less Secured Claims of Inc. DIP Loan Facility at Our Debt Sh Com.				
Inc. DIP Facility[15][16]	66.41			
Hypothetical Recovery to Holders of Secured Claims	-			
% Recovery	0.0%			
Proceeds Available after Distribution on Account of Secured Claims at Our Debt Sh Corp.	$ -	$ -	$ -	$ -
Less Secured Claims of Preposition Inc. Lenders (if applicable)				
Secured Claims of Preposition Inc. Loan – Non-Affiliate	281.40			
Secured Claims of Preposition Inc. Loan – Affiliate	158.58			
Hypothetical Recovery to Holders of Secured Claims	-			
% Recovery	-			
Proceeds Available after Distribution on Account of Secured Guarantee Claims at Our Debt Sec Corp.	$ -	$ -	$ -	$ -
Less 507(b) Claim of Preposition LP Lenders				
507(b) Claim of Preposition LP Lenders[16]	203.64			
Preposition Inc. Loan – Non-Affiliate	63.92			
Preposition Inc. Loan – Affiliate	158.58			
	426.14			
Hypothetical Recovery to Holders of 507(b) Claims and Preposition Inc. Loan Claims	-			
% Recovery	0.0%			
Proceeds Available after Distribution on Account of 507(b) Claims and Preposition Inc. Loan Claims	$ -	$ -	$ -	$ -
Less Administrative Claims, Priority Tax Claims, and Other Priority Claims				
Administrative Claims, Priority Tax Claims, Other Priority Claims, Chapter 11 Postpetition Accounts Payable and Accrued Liabilities (10)	1.65	-	-	-
Hypothetical Recovery to Holders of Administrative Claims, Priority Tax Claims, and Other Priority Claims	-	-	-	-
% Recovery	0.0%	0.0%	0.0%	0.0%
Proceeds Available after Distributions on Account of Administrative Claims, Priority Tax Claims, and Other Priority Claims	$ -	$ -	$ -	$ -
Less General Unsecured Claims				
General Unsecured Claims[17]	10.46	-	-	-
Hypothetical Recovery to Holders of Unsecured Claims	-	-	-	-
% Recovery[17]	-	-	-	-
Proceeds Available after Distributions on Account of General Unsecured Claims	58.0	58.9	58.0	58.6
Less Convertible Preferred Equity (Inc.)				
Convertible Preferred Equity (Inc.)[17a]	276.58			
Hypothetical Recovery to Holders of Convertible Preferred Equity (Inc.)	-			
% Recovery	0.0%			
Proceeds Available after Distributions on Account of Convertible Preferred Equity (Inc.)	$ -	$ -	$ -	$ -

Liquidation Analysis Footnotes

1. Gross estimated proceeds from liquidation do not include any potential recovery from lawsuits that the Debtors could file or any value related to Net Operating Losses at any of the Debtor entities.

2. With respect to the Debtors' L-Band spectrum, amount represents projected net spectrum value after taking into account present value of the Inmarsat spectrum lease. For the 1670-1675 MHz spectrum, estimated liquidation value is net of costs associated with exercising purchase option for this spectrum.

3. While the Carve-Out for a Trustee is only $50,000 per the terms of the Cash Collateral Order and the DIP Order, the Debtors recognize that these fees are likely to be significantly higher given the complexities associated with selling the Debtors' assets. The Chapter 7 Trustee commission is calculated at 2.25% of distributable assets as a proxy for 11 U.S.C. § 326(a) and Chapter 7 professional fees are assumed to be 1% of distributable assets.

4. Carve-Out includes the following:

    a. LightSquared LP (i) $3.0 million in accrued bankruptcy professional fees estimated to be outstanding as of December 31, 2013, (ii) $200,000 in costs allowed for Canadian Trustee fees, (iii) $50,000 in costs allowed for Chapter 7 Trustee fees, (iv) $50,000 in estimated costs related to the U.S. Trustee fees, and (v) $4.0 million general basket for the Carve-Out per the terms of the Cash Collateral Order;
    b. One Dot Six Corp. (i) $20,000 in estimated costs related to the U.S. Trustee, and (ii) $1.5 million general basket for the Carve-Out per the terms of the DIP Inc. Order; and
    c. LightSquared Inc. (i) $1.1 million in accrued bankruptcy professional fees estimated to be outstanding as of December 31, 2013, (ii) $50,000 in costs allowed for Chapter 7 Trustee fees, and (iii) $10,000 in projected costs related to the U.S. Trustee. To the extent proceeds from the liquidation of Lightsquared Inc.'s assets are insufficient to satisfy these items, the shortfall is picked up in One Dot Six Corp. Distribution Analysis.

5. The DIP Loan Facility of $66.4 million was borrowed by One Dot Six Corp. and is guaranteed by LightSquared Inc., One Dot Four Corp., and One Dot Six TVCC Corp. Based on the analysis it will be repaid in full by One Dot Six Corp.

6. To the extent that the proceeds from the liquidation of One Dot Six Corp. are insufficient to repay the DIP Inc. Facility of $66.4 million, the DIP Inc. Facility balance of $66.4 million would be reduced by the Post-Petition Intercompany Secured Payables of $5.2 million owed to One Dot Six Corp. by LightSquared Inc. Based on this analysis, we anticipate the DIP Inc. Facility being paid in full by One

Dot Six Corp. Furthermore, this analysis does not anticipate there being any meaningful proceeds available from LightSquared Inc. to satisfy claims beyond the Professional Fees Carve-Out.

7. For LightSquared LP, this analysis assumes a secured claim at LightSquared LP of $2.119 million, which equals the Prepetition LP Credit Facility of $1.7 billion plus post-petition accrued default rate interest. For LightSquared LP, this analysis assumes the $63.6 million in repayment fees related to the Prepetition LP Credit Facility are reclassified as Unsecured Claims.

8. For LightSquared Inc., the 507(b) Claim of the Prepetition LP Lenders is dependent upon payout that the Prepetition LP Lenders receive from LightSquared LP.

9. For One Dot Six Corp., claims of the Prepetition Inc. Lenders are dependent upon payout that the Prepetition Inc. Lenders receive from LightSquared Inc.

10. For LightSquared Inc., this analysis includes post-petition Intercompany Payables owed to LightSquared LP ($1.5 million) to the extent these amounts are not satisfied by the proceeds from the liquidation of LightSquared LP.

11. For LightSquared LP, this analysis includes projected costs associated with repayment fees of $63.6 million related to the Prepetition LP Credit Facility. For LightSquared Inc., this analysis includes prepetition Intercompany Payables owed to LightSquared LP of $10.5 million.

12. For LightSquared LP, this analysis includes post-petition accrued PIK dividends and potential redemption premium.

13. For LightSquared Inc., this analysis includes post-petition accrued PIK dividends.

EXHIBIT D

BID PROCEDURES

BID PROCEDURES

Set forth below are the procedures (the "Bid Procedures") to be employed in connection with the proposed auction (the "Auction") and sale (the "Sale") of (i) substantially all of the assets (the "LP Assets") of LightSquared LP ("LSLP"), ATC Technologies, LLC, LightSquared Corp., LightSquared Inc. of Virginia, LightSquared Subsidiary LLC, LightSquared Finance Co., LightSquared Network LLC, Lightsquared Bermuda Ltd., SkyTerra Holdings (Canada) Inc., and SkyTerra (Canada) Inc. (collectively, the "LP Debtors"), (ii) substantially all of the assets (the "Inc. Assets" and, together with the LP Assets, the "Assets") of LightSquared Inc., LightSquared Investors Holdings Inc., SkyTerra Rollup LLC, One Dot Four Corp., One Dot Six Corp., SkyTerra Rollup Sub LLC, One Dot Six TVCC Corp., TMI Communications Delaware, Limited Partnership, LightSquared GP Inc., and SkyTerra Investors LLC (the "Inc. Debtors" and, together with the LP Debtors, the "Debtors" or "LightSquared"),[1] or (iii) any grouping or subset of the Assets.

A hearing (the "Confirmation Hearing") to consider approval of the Sale of the Assets, or any grouping or subset thereof, shall be conducted on December 10, 2013 at 10:00 a.m. (prevailing Eastern time) at the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton U.S. Custom House, Courtroom No. 621, One Bowling Green, New York, NY 10004 (the "Bankruptcy Court"). The Confirmation Hearing may be continued from time to time by the Bankruptcy Court or LightSquared (at the Bankruptcy Court's direction) without further notice other than by such adjournment being announced in open court or by a notice of adjournment filed with the Bankruptcy Court and served in accordance with the *Order Establishing Certain Notice, Case Management, and Administrative Procedures* [Docket No. 121] (the "Case Management Order").

a. **Assets to Be Sold.** LightSquared will offer for Sale all or substantially all of the Assets. For the avoidance of doubt, in connection with the Sale and these Bid Procedures, any Potential Bidder (as defined below) may submit a bid for any or all of the Assets of LightSquared, and, for purposes hereof, "Sale" shall be deemed to include a sale of any grouping or subset of the Assets. LightSquared, in consultation with (i) the Ad Hoc Secured Group, exclusive of SPSO[2] and its affiliates (the "Independent Ad Hoc Secured

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[1] For the avoidance of doubt, any decision to be made by LightSquared under these Bid Procedures, or in connection with the plan process, including, without limitation, the acceptance of any Successful Bid (or Second-Highest Bid) (each as defined below), shall be made by the independent committee of LightSquared's board of directors (the "Independent LightSquared Committee"). Actions taken by the Independent LightSquared Committee may be taken (a) on the advice of Kirkland & Ellis LLP ("Kirkland"), as counsel to the Independent LightSquared Committee, and/or the advice of Moelis & Company ("Moelis"), as LightSquared's financial advisor, or (b) by Kirkland or Moelis, in each case at the direction of the Independent LightSquared Committee. For further avoidance of doubt, in connection with any decision made by the Independent LightSquared Committee under these Bid Procedures, or in connection with the plan process, the Independent LightSquared Committee may also consult with counsel to, and advisors for, any other party in LightSquared's chapter 11 cases, including, without limitation, LightSquared's regulatory counsel.

[2] The "Ad Hoc Secured Group" means that certain ad hoc secured group of holders of loans made pursuant to that certain Credit Agreement, dated as of October 1, 2010, between LSLP, as borrower, certain of LSLP's affiliates (including, but not limited to, the other Sellers), as guarantors, the lenders party thereto,

Group"), and (ii) MAST Capital Management, LLC (on behalf of itself and its management funds and accounts, collectively "MAST") and U.S. Bank National Association ("U.S. Bank" and, collectively with the Independent Ad Hoc Secured Group and MAST, the "Lender Parties" and, collectively with the Ad Hoc Group of LP Preferred Shareholders and SIG Holdings, Inc., the "Stakeholder Parties"), through the Stakeholder Parties' respective advisors, will appropriately assess any bid to determine whether it is a Qualified Bid (as defined below).

b. **Bidding Process.** LightSquared, in consultation with the Stakeholder Parties, shall, in its reasonable discretion: (i) determine whether any person is a Potential Bidder; (ii) coordinate the efforts of Potential Bidders in conducting their respective due diligence investigations regarding LightSquared's businesses and Assets; (iii) receive offers from Qualified Bidders (as defined below); and (iv) negotiate any offer made to purchase Assets by a Qualified Bidder (collectively, the "Bidding Process").

c. **Due Diligence for Potential Bidders.** LightSquared, in consultation with the Stakeholder Parties, shall provide each Potential Bidder with reasonable due diligence information upon reasonable request. In addition, LightSquared shall make available to all Potential Bidders (including, without limitation, each Stalking Horse Bidder (as defined below)) draft disclosure schedules by no later than 5:00 p.m. (prevailing Eastern time) on October 1, 2013, and a proposed schedule of third-party consents and approvals that would be necessary to consummate a sale of the Assets or any subset thereof by no later than 5:00 p.m. (prevailing Eastern time) on October 4, 2013. None of LightSquared, the Ad Hoc Secured Group, U.S. Bank, MAST, or any of the foregoing parties' affiliates, representatives, or advisors, is obligated to furnish any information relating to the Assets to any person except, in the case of LightSquared and its controlled affiliates, representatives, and advisors as applicable, to Potential Bidders prior to the Bid Deadline (as defined below). Potential Bidders are advised to exercise their own discretion before relying on any information regarding the Assets, whether provided by LightSquared, its representatives, or any other party. The due diligence period will end on the Bid Deadline. To be a "Potential Bidder," each bidder (other than LBAC and MSAC (each as defined below)):

i. must have delivered an executed confidentiality agreement in form and substance reasonably satisfactory to LightSquared, in consultation with the Lender Parties, unless such bidder informs LightSquared that it does not seek access to any non-public diligence materials and intends to submit a bid not conditioned on due diligence and receipt of information from LightSquared;

UBS AG, Stamford Branch, as administrative agent, and UBS Securities LLC, as arranger, syndication agent, and documentation agent (as amended, restated, supplemented, and/or modified, the "Prepetition LP Credit Agreement"), as such group may be reconstituted from time to time. "SPSO" means SP Special Opportunities, LLC.

ii. must have delivered the most current audited (if applicable) and the most current unaudited financial statements (collectively, the "Financials") of the Potential Bidder, or, if the Potential Bidder is an entity formed for the purpose of acquiring Assets, the Financials of the Potential Bidder's equity holder(s) or other financial backer(s), or such other form of financial disclosure and evidence reasonably acceptable to LightSquared, in consultation with the Stakeholder Parties, demonstrating such Potential Bidder's financial ability to: (A) close the proposed transaction (the "Proposed Transaction") contemplated by the Potential Bidder's proposed purchase agreement (together with its exhibits and schedules, and any ancillary agreements related thereto, the "Proposed Agreement"); and (B) provide adequate assurance of future performance to counterparties to any executory contracts and unexpired leases to be assumed by LightSquared and assigned to the Potential Bidder; provided, that if a Potential Bidder is unable to provide Financials, LightSquared, in consultation with the Stakeholder Parties, may accept such other information sufficient to demonstrate to LightSquared's reasonable satisfaction (after consultation with the Stakeholder Parties) that such Potential Bidder has the financial wherewithal and ability to consummate the Proposed Transaction; and

iii. shall comply with all reasonable requests for additional information by LightSquared, in consultation with the Stakeholder Parties, or LightSquared's advisors, in consultation with the Stakeholder Parties, regarding such Potential Bidder's financial wherewithal and ability to consummate and perform obligations in connection with the Sale. Failure by a Potential Bidder to comply with requests for additional information may be a basis for LightSquared, in consultation with the Stakeholder Parties, to determine that a bid made by such Potential Bidder is not a Qualified Bid.

d. **Form Purchase Agreement, Stalking Horse Bids, and Related Protections.**

i. ***Form Purchase Agreement.*** With these Bid Procedures, LightSquared is providing a form purchase agreement (with certain ancillary agreements thereto, the "Form APA"), a true and correct copy of which is attached as Schedule 1-A hereto.

ii. ***LBAC.*** L-Band Acquisition, LLC ("LBAC"), as set forth in that certain purchase agreement attached as Exhibit F to the Disclosure Statement for Joint Chapter 11 Plan for LightSquared LP, ATC Technologies, LLC, LightSquared Corp., LightSquared Inc. of Virginia, LightSquared Subsidiary LLC, LightSquared Finance Co., LightSquared Network LLC, Lightsquared Bermuda Ltd., SkyTerra Holdings (Canada) Inc., and SkyTerra (Canada) Inc. Proposed by the Ad Hoc Secured Group of LightSquared LP Lenders filed on July 23, 2013 [Docket No. 765] (as

expressly modified by these Bid Procedures or the Approval Order, the "LBAC Stalking Horse Agreement"), has submitted a Qualified Bid (as expressly modified by these Bid Procedures or the Approval Order, the "LBAC Bid") for the purchase of the LP Assets of (A) cash in the amount of $2.22 billion; plus (B) the value of Employee Obligations assumed by LBAC; plus (C) certain Cure Amounts; plus (D) the amount of liabilities specifically designated in the LBAC Stalking Horse Agreement as assumed liabilities. In addition, the LBAC Bid provides that receipt of the FCC Consent and Industry Canada Approval is not a condition precedent for the funding of the cash purchase price payable thereunder.[3] In connection with the LBAC Bid, LBAC shall be entitled to a break-up fee of $51.8 million, i.e., 2 1/3% of the cash purchase price offered by the LBAC Bid (the "LBAC Break-Up Fee" and, together with the LP Expense Reimbursement,[4] the "LBAC Bid Protections"), which shall be payable to LBAC on the terms and conditions set forth in the LBAC Stalking Horse Agreement and Approval Order (as defined below); provided, that in the event that LightSquared agrees to provide a break-up or similar fee to any other Stalking Horse Bidder that exceeds the LBAC Break-Up Fee (e.g., a larger percentage and/or a fee based on cash and non-cash consideration) (a "Larger Break-Up Fee") and such Larger Break-Up Fee is approved by the Bankruptcy Court in accordance with these Bid Procedures, the LBAC Break-Up Fee shall be deemed to increase such that the LBAC Break-Up Fee shall be equal to the Larger Break-Up Fee, expressed as a percentage of the applicable components of the applicable Stalking Horse Bid. Upon approval of any Larger Break-Up Fee in accordance with these Bid Procedures, LightSquared shall provide written notice (which may include email from counsel to LightSquared) to LBAC of same as well as of the calculation method of such Larger Break-Up Fee.[5]

iii. ***MSAC.*** Mast Spectrum Acquisition Corp. and/or one or more of its affiliates or designees ("MSAC"), as set forth in that certain purchase agreement attached as Exhibit B to the Specific Disclosure Statement for Chapter 11 Plan for One Dot Six Corp. Proposed by U.S. Bank National Association and MAST Capital Management, LLC filed on August 30, 2013 [Docket No. 824] (the "MSAC Stalking Horse Agreement"), has submitted a Qualified Bid in the form of a credit bid (the "MSAC Bid") for the purchase of the assets of One Dot Six Corp. (the "One Dot Six

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3 Terms used in this paragraph and not otherwise defined herein shall have the meanings set forth in the LBAC Stalking Horse Agreement.

4 "LP Expense Reimbursement" has the meaning set forth in the *Order Approving Expense Reimbursement and Related Relief for L-Band Acquisition, LLC and MAST Spectrum Acquisition Company LLC and Related Entities* [Docket No. 880] (the "Expense Order").

5 The summary of the LBAC Bid contained in this section (d)(ii) is qualified in its entirety by the terms of the LBAC Stalking Horse Agreement. In the event of any conflict between the summary of the LBAC Bid contained herein and the LBAC Stalking Horse Agreement, the LBAC Stalking Horse Agreement, as expressly modified by these Bid Procedures and the Approval Order, shall control.