

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.  
1985, c. C 36, AS AMENDED**

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

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

**MOTION RECORD  
(Returnable April 11, 2014)**

April 7, 2014

**DENTONS CANADA LLP**  
77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto, ON M5K 0A1

**John Salmas / C. Blake Moran**

LSUC No.: 42336B / 62296M  
Tel: 416 863-4737 / 863-4495  
Fax: (416) 863-4592  
Email: john.salmas@dentons.com  
blake.moran@dentons.com

*Lawyers for the Chapter 11 Debtors.*

**SERVICE LIST**

**TO: DENTONS CANADA LLP**  
77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto ON M5K 0A1

**John Salmas**

Telephone: 416.863.4737  
Fax: 416.863.4592  
Email: john.salmas@dentons.com

**Blake Moran**

Telephone: 416 863-4495  
Fax: 416 863-4592  
Email: blake.moran@dentons.com

*Lawyers for the Chapter 11 Debtors*

**AND TO: ALVAREZ & MARSAL CANADA ULC**  
Royal Bank Plaza, South Tower  
200 Bay Street, Suite 2900  
Toronto, Ontario  
M5J 2J1

**John J. Walker**

Telephone: 416.847.5152  
Facsimile: 416.847.5201  
E-mail: jwalker@alvarezandmarsal.com

**Andrea Yandreski**

Telephone: 416.847.5153  
Facsimile: 416.847.5201  
E-mail: ayandreski@alvarezandmarsal.com

*Information Officer*

**AND TO: GOODMANS LLP**  
Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, Ontario  
M5H 2S7

**Jay A. Carfagnini**  
Telephone: 416.597.4107  
Fax: 416.979.1234  
Email: jcarfagnini@goodmans.ca

**Brian F. Empey**  
Telephone: 416.597.4194  
Fax: 416. 979.1234  
Email: bempey@goodmans.ca

*Lawyers for the Information Officer*

**AND TO: WILMINGTON TRUST FSB**  
1100 North Market Street  
Wilmington, DE 19890  
U.S.A.

**AND TO: DEPARTMENT OF JUSTICE**  
The Exchange Tower  
130 King Street West  
Suite 3400  
Toronto, Ontario M5X 1K6

**Diane Winters**  
Telephone: 416.973.3172  
Facsimile: 416.973.0810  
E-mail: diane.winters@justice.gc.ca

**AND TO: INDUSTRY CANADA**  
Space Services Directorate  
Engineering, Planning and Standards Branch  
Industry Canada  
300 Slater Street, 15th Floor  
Ottawa, Ontario  
K1A 0C8

**Richard Hiebert**  
Manager, Authorization Policy

**AND TO: MORGUARD INVESTMENTS LIMITED**

350 Sparks Street, Suite 402  
Ottawa, Ontario  
K1R 7S8

**Beth Whitehead**, Manager, Commercial Lease Administration

Facsimile: 613-237-0007

E-mail: bwhitehead@morguard.com

*Agent for Pensionfund Realty Limited*

**AND TO: NORTON ROSE CANADA LLP / S.E.N.C.R.L.,S.R.L.**

45 O'Connor Street  
Suite 1500  
Ottawa, Ontario  
K1P 1A4

**Ken Jennings**

Telephone : 613.780.1558

Facsimile: 613.230.5459

E-mail: Ken.Jennings@nortonrose.com

*Counsel to Morguard Investments Limited*

**AND TO: OFFICE OF THE SUPERINTENDENT OF FINANCIAL INSTITUTIONS  
CANADA**

Head Office  
255 Albert Street  
Ottawa, Ontario  
K1A 0H2

Attention: Legal Services Division

**AND TO: BENNETT JONES LLP**  
 3400 One First Canadian Place  
 P.O. Box 130  
 Toronto, Ontario  
 M5X 1A4

**Kevin J. Zych**  
 Telephone: 416 777-5738  
 Facsimile: 416 863-1716  
 Email: zychk@bennettjones.com

**Raj. S. Sahni**  
 Telephone : 416 777-4804  
 Facsimile: 416 863-1716  
 Email: sahnir@bennettjones.com

**Karma Dolkar**  
 Telephone: 416 777-6159  
 Facsimile: 416 863-1716  
 Email: dolkark@bennettjones.com

**Sean Zweig**  
 Telephone: 416 777-6254  
 Facsimile: 416 863-1716  
 Email: zweigs@bennettjones.com

*Canadian Counsel to the Ad Hoc Secured Group of LightSquared LP Lenders*

**AND TO: OSLER, HOSKIN & HARCOURT LLP**  
 Box 50, 1 First Canadian Place  
 Toronto, Ontario  
 M5X 1B8

**Patrick Riesterer**  
 Telephone: 416 862-5947  
 Facsimile: 416 862-6666  
 Email: priesterer@osler.com

**Marc Wasserman**  
 Telephone: 416 862-4908  
 Facsimile: 416 862-6666  
 Email: mwasserman@osler.com

*Counsel for L-Band Acquisition, LLC*

# INDEX

## INDEX

	<b>Tab</b>	
Notice of Motion	1	
Draft Recognition Order		A
Affidavit of Elizabeth Creary sworn April 7, 2014	2	
Exhibit “A” – Replacement LP DIP Notice		A
Exhibit “B” – Cash Collateral Extension Notice		B
The fourteenth report (the “Fourteenth Report”) of Alvarez & Marsal Canada Inc., in its capacity as court-appointed information officer	3	

# TAB 1



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C 36, AS AMENDED**

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

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

**NOTICE OF MOTION**

**(Returnable on April 11, 2014)**

LightSquared LP, on its own behalf and in its capacity as foreign representative of the Chapter 11 Debtors ("**LightSquared**" or the "**Foreign Representative**"), will make a motion to the Court on April 11, 2014 at 8:30 a.m. or as soon after that time as the motion can be heard at 330 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR:**

1. An order substantially in the form of the draft order attached hereto as Schedule “A”, *inter alia*:
  - (a) abridging the timing and validating the method of service of this Notice of Motion and Motion Record, such that this motion is properly returnable on April 11, 2014;
  - (b) recognizing in Canada and giving full force and effect in all provinces and territories of Canada, pursuant to section 49 of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C. 36, as amended (the “**CCAA**”), the following orders (collectively, the “**Foreign Orders**”) of the United States Bankruptcy Court for the Southern District of New York (the “**U.S. Bankruptcy Court**”) made in the Chapter 11 Cases (as defined below):
    - (i) *Final Order (A) Authorizing LP DIP Obligors To Obtain Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, And (D) Modifying Automatic Stay* (the “**Replacement LP DIP Order**”); and
    - (ii) *Third Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection To Prepetition Secured Parties, and (C) Modifying Automatic Stay* (the “**Cash Collateral Extension Order**”);
  - (c) approving the fourteenth report (the “**Fourteenth Report**”) and fifteenth report (the “**Fifteenth Report**”) of Alvarez & Marsal Canada Inc. (“**A&M Canada**”), in its capacity as court-appointed information officer of the Chapter 11 Debtors in respect of this proceeding (the “**Information Officer**”), and the activities of the Information Officer as set out therein; and

2. Such further and other relief as counsel may request and this Honourable Court may deem just.

**THE GROUNDS FOR THE MOTION ARE:**

**Background**

1. On May 14, 2012, the Chapter 11 Debtors commenced cases in the U.S. Bankruptcy Court by each filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532;
2. On May 15, 2012, the chapter 11 cases were consolidated for procedural purposes only, to be jointly administered by the U.S. Bankruptcy Court under Case No. 12-12080 (SCC), the case number assigned to LightSquared Inc. (the “**Chapter 11 Cases**”);
3. Other than the Chapter 11 Cases and these proceedings, there are no other foreign proceedings in respect of the Chapter 11 Debtors;
4. On May 15, 2012, the Honourable Justice Morawetz (as he then was) of the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”) granted an order providing certain interim relief to the Chapter 11 Debtors, including a stay of proceedings in respect of the Chapter 11 Debtors, the property and business of the Chapter 11 Debtors and the directors and officers of the Chapter 11 Debtors;
5. On May 15, 2012 and May 16, 2012, the U.S. Bankruptcy Court in the Chapter 11 Cases entered various “first day” orders, including an interim order authorizing LightSquared to act as the Foreign Representative of the Chapter 11 Debtors;
6. On May 18, 2012, the Honourable Justice Morawetz (as he then was) granted an Initial Recognition Order in these proceedings, which among other things: (i) recognized LightSquared as the “foreign representative” of the Chapter 11 Debtors; (ii) declared the consolidated proceeding of the jointly administered

Chapter 11 Cases to be a “foreign main proceeding” pursuant to Part IV of the CCAA; and (iii) stayed all proceedings against the Chapter 11 Debtors;

7. On May 18, 2012, the Honourable Justice Morawetz (as he then was) also granted a Supplemental Order in these proceedings, which among other things: (i) recognized and enforced in Canada certain orders of the U.S. Bankruptcy Court in the Chapter 11 Cases; (ii) appointed A&M Canada as Information Officer in these proceedings; (iii) stayed all claims and proceedings in respect of the Chapter 11 Debtors, the property and business of the Chapter 11 Debtors and the directors and officers of the Chapter 11 Debtors; and (iv) granted a super-priority charge over the Chapter 11 Debtors’ property, in favour of the Information Officer and its counsel, as security for their professional fees and disbursements incurred in respect of these proceedings;
8. On June 14, 2012, August 21, 2012, March 8, 2013, March 20, 2013, August 13, 2013, October 9, 2013, October 17, 2013, January 3, 2014 and February 26, 2013 the Canadian Court granted orders in these proceedings recognizing and enforcing in Canada certain additional orders of the U.S. Bankruptcy Court made in the Chapter 11 Cases;
9. Additionally, on February 5, 2014 the Canadian Court recognized and enforced in Canada certain orders of the U.S. Bankruptcy Court made in the Chapter 11 Cases, including:
  - (i) *Final Order (A) Authorizing LP DIP Obligors To Obtain Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [U.S. Bankruptcy Court Docket No. 1291] (the “**Initial LP DIP Order**”); and
  - (ii) *Second Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [U.S. Bankruptcy Court Docket No. 1292] (the “**Third Amended Cash Collateral Order**”).

10. The Third Amended Cash Collateral Order was intended to provide sufficient funds for the Chapter 11 Debtors to implement a plan pursuant to which financing would be made available to exit the Chapter 11 Cases.
11. The process (the “**Confirmation Process**”) pursuant to which the U.S. Bankruptcy Court is considering confirmation of the plan filed by the Chapter 11 Debtors in the Chapter 11 Cases is currently underway. Hearings to consider confirmation of the Chapter 11 Debtors’ plan commenced on March 19, 2014 with witness testimony ending on March 31, 2014.
12. However, due to the U.S. Bankruptcy Court’s requirement that the parties file post-trial briefs, findings of fact, and reply briefs and present closing arguments (which are currently scheduled for May 5<sup>th</sup> and 6<sup>th</sup>) the Confirmation Process will extend into May, and possibly June, 2014.

### **Foreign Orders**

13. Certain of the Chapter 11 Debtors are party to a Credit Agreement, dated as of October 1, 2010 (as amended, supplemented, amended and restated, or otherwise modified from time to time), between, *inter alia*, LightSquared LP, as borrower, LightSquared Inc. and the other guarantors party thereto (collectively, the “**LP Obligors**”), the lenders party thereto (the “**Prepetition LP Lenders**”), and UBS AG, Stamford Branch, as administrative agent, under which the Prepetition LP Lenders provided term loans in the aggregate principal amount of \$1,500,000,000.
14. The LP Obligors have been funding their businesses through the use of the Prepetition LP Collateral<sup>1</sup>, including Cash Collateral (as such term is defined in section 363 of the Bankruptcy Code (the “**Cash Collateral**”)) and the proceeds of the Initial LP DIP Facility (as defined below).

---

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

15. As stated above, on February 5, 2014 this Court recognized the Initial LP DIP Order and thereby approved, among other things, the provision of certain superpriority senior secured priming postpetition financing by the LP DIP Lenders to the LP DIP Obligors (as defined in the Initial LP DIP Order) through April 15, 2014 (the “**Initial LP DIP Facility**”).
16. The Prepetition LP Lenders’ Cash Collateral and the proceeds of the Initial LP DIP Facility are largely depleted. Given that the Confirmation Process in the Chapter 11 Cases is now contemplated to extend into May or June 2014, the Chapter 11 Debtors require additional funds to carry them through to the date an order is entered confirming any chapter 11 plan(s).

*Replacement LP DIP Order*

17. On April 2, 2014, the Chapter 11 Debtors filed a *Notice of (I) Presentment of Final Order (A) Authorizing LP DIP Obligors To Obtain Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens And Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, And (D) Modifying Automatic Stay* (the “**Replacement LP DIP Notice**”) in connection with the entry into a new DIP financing facility (the “**Replacement LP DIP Facility**”) with financing to be provided by certain members of the ad hoc group of Prepetition LP Lenders, including Capital Research and Management Company, and Cyrus Capital Partners, L.P., on behalf of its affiliates’ managed funds and/or accounts, as well as by Intermarket Corp., as well as by Solus Alternative Asset Management LP, Fortress Credit Corp., on behalf of its affiliates’ managed funds and/or accounts, fund entities managed by Aurelius Capital Management, LP, and SP Special Opportunities, LLC (each of the foregoing, an “**LP DIP Lender**” and, collectively, the “**LP DIP Lenders**”).
18. Each of the LP DIP Obligors and the LP DIP Lenders under the Initial LP DIP Facility have consented to the entry of the Replacement LP DIP Order and the Replacement LP DIP Facility, the proceeds of which shall be used to (i) pay in

full all LP DIP Obligations under (and as defined in) the Initial LP DIP Facility and the Initial LP DIP Order, (ii) finance the general corporate and working capital needs of the LP DIP Obligors (and other purposes described in paragraph 3(a) of the Replacement LP DIP Order) through the Final Maturity Date (as defined in the Replacement LP DIP Order) and (iii) pay the LP DIP Professional Fees (as defined in the Replacement LP DIP Order).

19. It is anticipated, that on or about April 9 or 10, 2014 the U.S. Bankruptcy Court will issue and enter an order based upon the draft Replacement LP DIP Order attached as Exhibit A to the Replacement LP DIP Notice.
20. Save for the term and quantum, the terms of the Replacement LP DIP Order are substantially similar to the terms set forth in the Initial LP DIP Order, which was recognized by this Court on February 5, 2014. A blackline of the Replacement LP DIP Order marked against the Initial LP DIP Order is attached to the Replacement LP DIP Notice as Exhibit B.
21. The ability of the Chapter 11 Debtors to ensure a value-maximizing exit from the Chapter 11 Cases requires the availability of capital from the Replacement LP DIP Facility. Without such funds, the Chapter 11 Debtors will not have sufficient available sources of capital and financing to operate its businesses and maintain its properties in the ordinary course of business to the end of its plan confirmation process and thus be able to complete an orderly exit from these Chapter 11 Cases.
22. The Chapter 11 Debtors are therefore requesting that the Court recognize the Replacement LP DIP Order, which the Chapter 11 Debtors anticipate will be granted by the U.S. Bankruptcy Court on or about April 9 or 10, 2014, as the terms and conditions contained in the Replacement LP DIP Order are fair and reasonable and in the best interests of the LP Obligors' estates and creditors.
23. In the absence of the availability of the Replacement LP DIP Facility serious and irreparable harm to the LP Debtors and their estates and creditors would occur. Further, any remaining possibility for confirmation of a chapter 11 plan would be

at severe risk in the absence of the availability of funds in accordance with the terms of the Replacement LP DIP Order.

*Cash Collateral Extension Order*

24. In connection with the Replacement LP DIP Facility the LP Obligors also require continued authorization from the U.S. Bankruptcy Court to use the Cash Collateral of the Prepetition LP Lenders. Such relief is necessary to ensure that the LP Obligors can (i) address working capital needs, (ii) fund reorganization efforts and (iii) continue to operate in the ordinary course during the Chapter 11 Cases.
25. Pursuant to the Initial Cash Collateral Order, the LP Obligors were consensually permitted to use the Prepetition LP Lenders' Cash Collateral through June 13, 2013. Such date was extended to April 15, 2014 pursuant to various orders of the U.S. Bankruptcy court, including, the Third Amended Cash Collateral Order which was recognized by this Court on February 5, 2014.
26. As noted above, the Confirmation Process in the Chapter 11 Cases is now expected to extend into May or June of 2014, after the date upon which the consensual use of the Prepetition LP Lenders' Cash Collateral is currently set to expire.
27. Therefore, in connection with the Replacement LP DIP Order, the Chapter 11 Debtors filed the *Notice of Presentment of Third Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* (the "**Cash Collateral Extension Notice**") seeking entry of the Replacement Cash Collateral Order authorizing the Chapter 11 Debtors to, among other things, use the Cash Collateral of the Prepetition Secured Parties (as such term is defined in the Initial Cash Collateral Order) and providing adequate protection to the Prepetition Secured Parties for any diminution in value of their interests in the Prepetition Collateral.



28. The Prepetition LP Lenders have consented to the continued use by the Chapter 11 Debtors of the Prepetition LP Lenders' Cash Collateral and have consented to amend the orders of the U.S. Bankruptcy Court pertaining to Cash Collateral to permit the Chapter 11 Debtors to continue to use the Prepetition LP Lenders' Cash Collateral through and including June 15, 2014 on the terms set forth in the Cash Collateral Extension Order, attached as Exhibit A to the Cash Collateral Extension Notice.
29. The Chapter 11 Debtors are therefore requesting that the Court recognize the Cash Collateral Extension Order, should such order be granted by the U.S. Bankruptcy Court, as the terms and conditions contained in the Cash Collateral Extension Order are fair and reasonable and in the best interests of the LP Obligors' estates and creditors.
30. Attached to the affidavit of Elizabeth Creary sworn April 7, 2014 (the "**Creary Affidavit**") as **Exhibits 'A'** and **'B'** respectively are the Replacement LP DIP Notice and the Cash Collateral Extension Notice which contain draft copies of the Replacement LP DIP Order and the Cash Collateral Extension Order being sought by the Chapter 11 Debtors in the U.S. Bankruptcy Court. The final orders are not expected to be entered by the U.S. Bankruptcy Court until April 9 or 10, 2014.
31. A supplemental affidavit is projected to be filed on April 9 or 10, 2014 containing the Replacement LP DIP Order and Cash Collateral Extension Order as issued and entered by the U.S. Bankruptcy Court and identifying any discrepancies with a blackline mark-up comparing the draft orders attached to the Creary Affidavit with the actual orders entered by the U.S. Bankruptcy Court.

#### General

32. The facts as further set out in the Fourteenth Report, the Fifteenth Report and the Creary Affidavit;
33. The provisions of the CCAA, including Part IV;

34. The *Rules of Civil Procedure*, including rules 2.03, 3.02 and 16; and
35. Such further and other grounds as counsel may advise and this Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT  
THE HEARING OF THE MOTION:**

1. The Creary Affidavit and the exhibits referred to therein, including the Foreign Orders;
2. The Information Officer's Fourteenth Report;
3. The Information Officer's Fifteenth Report (to be filed separately); and
4. Such further and other material as counsel may advise and this Honourable Court may permit.

April 7, 2014

**DENTONS CANADA LLP**  
77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto, ON M5K 0A1

**John Salmas**

LSUC No. 42336B  
Telephone: 416-863-4467  
Facsimile: 416-863-4592  
E-Mail: john.salmas@dentons.com

**C. Blake Moran**

LSUC No. 62296M  
Telephone: 416-863-4495  
Facsimile: 416-863-4592  
E-Mail: blake.moran@dentons.com

*Lawyers for the Chapter 11 Debtors*

**TO: THE SERVICE LIST**

**TAB A**

**SCHEDULE 'A'**

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) FRIDAY, THE 11<sup>th</sup>  
REGIONAL SENIOR ) DAY OF APRIL, 2014  
JUSTICE MORAWETZ )

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C 36, AS AMENDED**

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

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

**RECOGNITION ORDER  
(FOREIGN MAIN PROCEEDING)**

**THIS MOTION**, made by LightSquared LP in its capacity as the foreign representative (the "**Foreign Representative**") of the Chapter 11 Debtors, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the

“CCAA”), for an order substantially in the form attached as Schedule “A” to the notice of motion of the Foreign Representative dated April ●, 2014 (the “**Notice of Motion**”), recognizing two orders granted by the United States Bankruptcy Court for the Southern District of New York (the “**U.S. Bankruptcy Court**”) in the cases commenced by the Chapter 11 Debtors under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Chapter 11 Cases**”), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion, the affidavit of Elizabeth Creary sworn April 7, 2014, the Supplemental Affidavit of ● sworn April ●, 2014, the fourteenth report of Alvarez & Marsal Canada Inc., in its capacity as court-appointed information officer of the Chapter 11 Debtors (the “**Information Officer**”), dated February 25, 2014 (the “**Fourteenth Report**”), the fifteenth report of the Information Officer, dated April ●, 2014 (the “**Fifteenth Report**”) and on hearing the submissions of counsel for the Foreign Representative, counsel for the Information Officer, and counsel for the ad hoc secured group of LightSquared LP Lenders and the LP DIP Lenders, no one else appearing although duly served as appears from the affidavit of service of ● sworn April ●, 2014, and the affidavit of service of ● sworn April ●, 2014, filed,

## **SERVICE**

1. **THIS COURT ORDERS** the timing and method of service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today.

## **RECOGNITION OF FOREIGN ORDERS**

2. **THIS COURT ORDERS** that the following orders (collectively, the “**Foreign Orders**”) of the U.S. Bankruptcy Court made in the Chapter 11 Cases are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to Section 49 of the CCAA:

- (a) Final Order (A) Authorizing LP DIP Obligors To Obtain Replacement Superpriority Senior Secured Priming Postpetition Financing, (B)

Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay (the “**Replacement LP DIP Order**”); and

- (b) Third Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay

attached hereto as **Schedules “A” and “B”** respectively, provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to the Chapter 11 Debtors’ current and future assets, undertakings and properties of every nature and kind whatsoever in Canada.

#### **INTERIM FINANCING**

3. **THIS COURT ORDERS** that the filing, registration or perfection of the LP DIP Liens (as defined in the Replacement LP DIP Order) shall not be required, and that the LP DIP Liens shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the LP DIP Liens coming into existence, notwithstanding any such failure to file, register, record or perfect such liens.

4. **THIS COURT ORDERS** that the LP DIP Liens shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the LP DIP Liens (collectively, the “**Chargees**”) shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to *Bankruptcy and Insolvency Act* (the “**BIA**”), or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of encumbrances, contained in any existing

loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds any Chapter 11 Debtor, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the LP DIP Liens shall not create or be deemed to constitute a breach by a Chapter 11 Debtor of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any individual, firm, corporation, governmental body or agency, or any other entities whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the LP DIP Liens; and
- (c) the payments made by the Chapter 11 Debtors to the Chargees pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

## **GENERAL**

5. **THIS COURT ORDERS** that the Fourteenth Report, Fifteenth Report and the activities of the Information Officer as described therein be and are hereby approved.

---

**SCHEDULE "A"**

Replacement LP DIP Order



**SCHEDULE "B"**

Cash Collateral Extension Order

Court File No: CV-12-9719-00CL

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

---

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT  
TORONTO

**RECOGNITION ORDER  
(April 11, 2014)**

DENTONS CANADA LLP  
77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto, Ontario  
M5K 0A1

**John Salmas / C. Blake Moran**

LSUC No.: 42336B / 62296M  
Tel: 416 863-4737 / 863-4495  
Fax: (416) 863-4592  
Email: john.salmas@dentons.com  
blake.moran@dentons.com

*Lawyers for the Chapter 11 Debtors.*

Court File No: CV-12-9719-00CL

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

---

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT TORONTO

**NOTICE OF MOTION  
(Returnable April 11, 2014)**

DENTONS CANADA LLP  
77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto, Ontario  
M5K 0A1

**John Salmas / C. Blake Moran**

LSUC No.: 42336B / 62296M  
Tel: 416 863-4737 / 863-4495  
Fax: (416) 863-4592  
Email: john.salmas@dentons.com  
blake.moran@dentons.com

*Lawyers for the Chapter 11 Debtors.*

# TAB 2

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

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

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

**AFFIDAVIT OF ELIZABETH CREARY**  
(Sworn April 7, 2014)

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

1. I am the Vice President and Assistant General Counsel of LightSquared LP ("LightSquared" or the "Foreign Representative"). As such, I have personal knowledge of the matters to which I herein depose. Where the source of my information or belief is other than my own personal knowledge, I have identified the source and the basis for my information and verily believe it to be true.

2. This affidavit is filed in support of the Foreign Representative's motion for an order, *inter alia*, recognizing in Canada and giving full force and effect in all provinces and territories of Canada, pursuant to section 49 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C. 36, as amended (the "CCAA"), the following orders (collectively, the "**Foreign Orders**") of the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Bankruptcy Court**") made in the Chapter 11 Cases (as defined below):

- (a) Final Order (A) Authorizing LP DIP Obligors To Obtain Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens And Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay (the "**Replacement LP DIP Order**"); and
- (b) Third Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection To Prepetition Secured Parties, and (C) Modifying Automatic Stay (the "**Cash Collateral Extension Order**").

### **Corporate Overview**

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

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

5. Through a unique wholesale business model, entities without their own wireless networks, or that have limited geographic coverage or spectrum, will be able to

market and sell their own devices, applications and services at a competitive price using the Chapter 11 Debtors' 4G LTE network.

### **Background on Proceedings**

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

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

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

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

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

11. On May 18, 2012, the Honourable Justice Morawetz also granted a Supplemental Order in these proceedings, which among other things: (i) appointed Alvarez & Marsal Canada Inc. as Information Officer in these proceedings (the

“**Information Officer**”); (ii) stayed all claims and proceedings in respect of the Chapter 11 Debtors, the property and business of the Chapter 11 Debtors and the directors and officers of the Chapter 11 Debtors; (iii) granted a super-priority charge over the Chapter 11 Debtors’ property, in favour of the Information Officer and its counsel, as security for their professional fees and disbursements incurred in respect of these proceedings; and (iv) recognized and enforced in Canada certain orders of the U.S. Bankruptcy Court in the Chapter 11 Cases, including the Interim Order Authorizing LightSquared LP to Act as Foreign Representative Pursuant to 11 U.S.C. § 1505.

12. On June 14, 2012, the Canadian Court recognized and enforced in Canada certain orders of the U.S. Bankruptcy Court made in the Chapter 11 Cases, including the *Final Order Authorizing LightSquared LP to Act as Foreign Representative Pursuant to 11 U.S.C. § 1505*” and “*Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* (the “**Initial Cash Collateral Order**”).

13. The Initial Cash Collateral Order was amended by various orders of the U.S. Bankruptcy Court. Those amending orders were recognized and enforced by this Court on March 8, 2013 and January 3, 2014.

14. On February 5, 2014, the Canadian Court recognized and enforced in Canada certain orders of the U.S. Bankruptcy Court made in the Chapter 11 Cases, including:

- (a) *Final Order (A) Authorizing LP DIP Obligors To Obtain SuperPriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [U.S. Bankruptcy Court Docket No. 1291] (the “**Initial LP DIP Order**”); and
- (b) *Second Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [U.S.



Bankruptcy Court Docket No. 1292] (the “**Third Amended Cash Collateral Order**”).

15. The Initial LP DIP Order and Third Amended Cash Collateral Order were intended to provide sufficient funds for the Chapter 11 Debtors to implement a plan pursuant to which financing would be made available to exit the Chapter 11 Cases. The process to achieve such a result is ongoing.

16. The process (the “**Confirmation Process**”) pursuant to which the U.S. Bankruptcy Court is considering confirmation of the plan filed by the Chapter 11 Debtors in the Chapter 11 Cases is currently underway. Hearings to consider confirmation of the Chapter 11 Debtors’ plan commenced on March 19, 2014 with witness testimony ending on March 31, 2014.

17. However, due to the U.S. Bankruptcy Court’s requirement that the parties file post-trial briefs, findings of fact, and reply briefs and present closing arguments (which closing arguments are currently scheduled for May 5<sup>th</sup> and 6<sup>th</sup>) the Confirmation Process will extend into May, and possibly June, 2014.

18. Since the inception of the proceedings the Canadian Court has recognized and enforced in Canada several other orders of the U.S. Bankruptcy Court made in the Chapter 11 Cases.

### **Foreign Orders**

19. Certain of the Chapter 11 Debtors are party to a Credit Agreement, dated as of October 1, 2010 (as amended, supplemented, amended and restated, or otherwise modified from time to time), between, *inter alia*, LightSquared LP, as borrower, LightSquared Inc. and the other parent guarantors party thereto (collectively, the “**Prepetition LP Parent Guarantors**”), the subsidiary guarantors party thereto (collectively, the “**Prepetition LP Subsidiary Guarantors**” and, collectively with LightSquared LP and the Prepetition LP Parent Guarantors, the “**LP Obligors**”), the lenders party thereto (the “**Prepetition LP Lenders**”), and UBS AG, Stamford Branch, as administrative agent (in such capacity, and together with Wilmington Trust FSB, the

“**Prepetition LP Agent**”), under which the Prepetition LP Lenders provided term loans in the aggregate principal amount of \$1,500,000,000 (the “**Prepetition LP Credit Facility**”).

20. Amounts outstanding under the Prepetition LP Credit Facility are allegedly secured by a first-priority security interest in (i) substantially all of the assets of LightSquared LP and the Prepetition LP Subsidiary Guarantors, (ii) the equity interests of LightSquared LP and the Prepetition LP Parent Guarantors (except LightSquared Inc.), (iii) the equity interests of the Prepetition LP Subsidiary Guarantors, and (iv) the rights of LightSquared Inc. under and arising out of the Inmarsat Cooperation Agreement.

21. As of May 14, 2012, an aggregate amount of approximately \$1,700,571,106 was outstanding under the Prepetition LP Credit Facility.

22. The LP Obligors have been funding their businesses through the use of the Prepetition LP Collateral<sup>1</sup>, including Cash Collateral (as such term is defined in section 363 of the Bankruptcy Code (the “**Cash Collateral**”)) and the proceeds of the Initial LP DIP Facility (as defined below).

23. The Prepetition LP Lenders’ Cash Collateral and the proceeds of the Initial LP DIP Facility are largely depleted and the authority for the Chapter 11 Debtors to make use of the Prepetition LP Collateral, including Cash Collateral, is currently set to expire on April 15, 2014.

#### Replacement LP DIP Order

24. On February 4, 2014, the U.S. Bankruptcy Court entered the *Second Order Amending Amended Agreed Final Order (A) Authorizing Debtors to Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* (the “**Initial LP DIP Order**”). The Initial LP DIP Order provided for, among other things, the provision of certain superpriority senior secured priming

---

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

postpetition financing by the LP DIP Lenders to the LP DIP Obligors through April 15, 2014 (the “**Initial LP DIP Facility**”).

25. As stated above, on February 5, 2014 this Court recognized the Initial LP DIP Order.

26. Given that the Confirmation Process in the Chapter 11 Cases is now contemplated to extend into May or June 2014, the Chapter 11 Debtors require additional funds to carry them through to the date an order is entered confirming any chapter 11 plan(s) (the “**Confirmation**”).

27. The current budget (the “**Budget**”)<sup>2</sup> for the Chapter 11 Debtors shows that they require additional cash to fund the ongoing operations of the estates until Confirmation.

28. Therefore, the Chapter 11 Debtors have agreed to obtain replacement postpetition financing for the estates of the LP DIP Obligors (as defined below) with financing to be provided by certain members of the ad hoc group of Prepetition LP Lenders, including Capital Research and Management Company, and Cyrus Capital Partners, L.P., on behalf of its affiliates’ managed funds and/or accounts, as well as by Intermarket Corp., as well as by Solus Alternative Asset Management LP, Fortress Credit Corp., on behalf of its affiliates’ managed funds and/or accounts, fund entities managed by Aurelius Capital Management, LP, and SP Special Opportunities, LLC (each of the foregoing, an “**LP DIP Lender**” and, collectively, the “**LP DIP Lenders**”).

29. On April 2, 2014, the Chapter 11 Debtors filed the *Notice of (I) Presentment of Final Order (A) Authorizing LP DIP Obligors To Obtain Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens And Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, And (D) Modifying Automatic Stay* (the “**Replacement LP DIP Notice**”) in connection with the agreed upon replacement DIP financing facility (the “**Replacement LP DIP Facility**”) to be provided by the LP DIP Lenders.

---

<sup>2</sup> The Budget is attached as Annex B of the draft Replacement LP DIP Order and Schedule 1 of the draft Cash Collateral Extension Order.

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

31. With all of the parties in agreement, it is anticipated that on or about April 9 or 10, 2014 the U.S. Bankruptcy Court will issue and enter an order based upon the draft Replacement LP DIP Order attached as Exhibit A to the Replacement LP DIP Notice.

32. Save for the term and quantum, the terms of the Replacement LP DIP Order are substantially similar to the terms set forth in the Initial LP DIP Order, which was recognized by this Court on February 5, 2014.

33. Attached hereto as **Exhibit A** is a copy of the Replacement LP DIP Notice.

34. A copy of the draft Replacement LP DIP Order is attached within the Replacement LP DIP Notice as Exhibit A. A blackline of the Replacement LP DIP Order marked against the Initial LP DIP Order is also attached to the Replacement LP DIP Notice as Exhibit B.

35. The ability of the Chapter 11 Debtors to ensure a value-maximizing exit from the Chapter 11 Cases requires the availability of capital from the Replacement LP DIP Facility. Without such funds, the Chapter 11 Debtors will not have sufficient available sources of capital and financing to operate its businesses and maintain its properties in the ordinary course of business to the end of its plan confirmation process and thus be able to complete an orderly exit from these Chapter 11 Cases.

36. To prevent the unfettered use of the proceeds of the Replacement LP DIP Facility, the LP DIP Obligors have agreed to use such proceeds in accordance with the

Budget developed by the LP DIP Obligors and their financial advisors. The LP DIP Obligors believe that the Budget is achievable and will allow the LP DIP Obligors to operate without the accrual of unpaid administrative expenses.

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

38. It is my understanding that a supplemental affidavit is intended to be filed prior to the return of this motion on April 11, 2014 providing an update with respect to the U.S. Bankruptcy Court's final disposition of the Replacement LP DIP Order and identifying any discrepancies from the draft Replacement LP DIP Order included in the Replacement LP DIP Notice and attached hereto.

39. The Chapter 11 Debtors thus respectfully request that the Court recognize the Replacement LP DIP Order, pending approval by the U.S. Bankruptcy Court, as the terms and conditions contained in the proposed Replacement LP DIP Order are fair and reasonable and in the best interests of the LP Obligors' estates and creditors.

Cash Collateral Extension Order

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

41. Pursuant to the Initial Cash Collateral Order, the LP Obligors were consensually permitted to use the Prepetition LP Lenders' Cash Collateral through June 13, 2013. Such date was extended to April 15, 2014 pursuant to the various orders of the U.S. Bankruptcy Court, including, the Third Amended Cash Collateral Order which was recognized by this Court on February 5, 2014.

42. As noted above, the Confirmation Process in the Chapter 11 Cases is now expected to extend into May or June of 2014, after the date upon which the consensual use of the Prepetition LP Lenders' Cash Collateral is currently set to expire.

43. Therefore, in connection with the Replacement LP DIP Order, the Chapter 11 Debtors filed the *Notice of Presentment of Third Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* (the "**Cash Collateral Extension Notice**") seeking entry of the Replacement Cash Collateral Order authorizing the Chapter 11 Debtors to, among other things, use the Cash Collateral of the Prepetition Secured Parties (as such term is defined in the Initial Cash Collateral Order) and providing adequate protection to the Prepetition Secured Parties for any diminution in value of their interests in the Prepetition Collateral.

44. Attached hereto as **Exhibit B** is a copy of the Cash Collateral Extension Notice. A copy of the draft Cash Collateral Extension Order is attached within the Cash Collateral Extension Notice as Exhibit A.

45. The Prepetition LP Lenders have consented to the continued use by the Chapter 11 Debtors of the Prepetition LP Lenders' Cash Collateral and have consented to amend the orders of the U.S. Bankruptcy Court pertaining to Cash Collateral to permit the Chapter 11 Debtors to continue to use the Prepetition LP Lenders' Cash Collateral through and including June 15, 2014 on the terms set forth in the Cash Collateral Extension Order, attached as Exhibit A to the Cash Collateral Extension Notice.

46. It is my understanding that a supplemental affidavit is intended to be filed prior to the return of this motion on April 11, 2014 providing an update with respect to the U.S. Bankruptcy Court's final disposition of the Cash Collateral Extension Order and identifying any discrepancies from the draft Cash Collateral Extension Order included in the Cash Collateral Extension Notice attached hereto.

47. The Chapter 11 Debtors thus respectfully request that the Court recognize the Cash Collateral Extension Order, pending approval by the U.S. Bankruptcy Court, as the

terms and conditions contained in the proposed Cash Collateral Extension Order are fair and reasonable and in the best interests of the LP Obligors' estates and creditors.

**Summary**

48. As stated above, a supplemental affidavit is intended to be filed prior to the return of this motion on April 11, 2014 providing an update with respect to the U.S. Bankruptcy Court's final disposition of the Replacement LP DIP Order and Cash Collateral Extension Order which will identify any discrepancies from the drafts attached hereto.

49. For the foregoing reasons, the Foreign Representative respectfully submits that the LP DIP Obligors' entry into the Replacement LP DIP Facility is in the best interests of the LP DIP Obligors' estates, stakeholders, and other parties in interest and thus the Chapter 11 Debtors' request to have the Foreign Orders, provided they are approved by the U.S. Bankruptcy Court, be recognized by this Honourable Court.

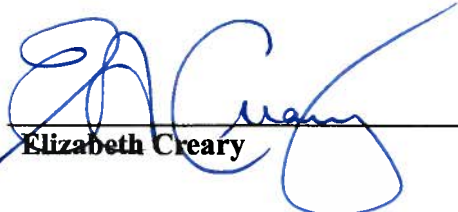
50. The secured creditors registered against the Canadian Chapter 11 Debtor entities are being given notice of the motion.

51. As a result, the Foreign Representative is requesting that the Canadian Court recognize in Canada and enforce the Replacement LP DIP Order and the Cash Collateral Extension Order, to the extent the foregoing are granted by the U.S. Bankruptcy Court, pursuant to Section 49 of the CCAA.

52. I make this affidavit in support of the motion of the Foreign Representative returnable April 11, 2014 and for no other or improper purpose.

SWORN before me in the City of Ottawa )  
in the Province of Ontario this 7<sup>th</sup> day of )  
April, 2014 )  
)  
)  
)

  
\_\_\_\_\_  
Commissioner for Taking Affidavits, etc. )

  
\_\_\_\_\_  
Elizabeth Creary )  
)

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

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



**TAB A**

Exhibit "A" to the Affidavit of Elizabeth Creary,  
sworn before me this 7<sup>th</sup> day of April, 2014.



---

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**

Presentment Date and Time: April 9, 2014 at 4:30 p.m. (prevailing Eastern time)

Objection Deadline: April 9, 2014 at 4:00 p.m. (prevailing Eastern time)

Hearing Date (Only if Objection Filed): April 10, 2014 at 1:00 p.m. (prevailing Eastern time)

Matthew S. Barr  
Karen Gartenberg  
MILBANK, TWEED, HADLEY & M<sup>c</sup>CLOY LLP  
One Chase Manhattan Plaza  
New York, NY 10005-1413  
(212) 530-5000

*Counsel to Debtors and Debtors in Possession*

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

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

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

**PLEASE TAKE NOTICE** that certain members of the ad hoc secured group of Prepetition LP Lenders<sup>2</sup> (the “Ad Hoc LP Secured Group”), including Capital Research and Management Company and Cyrus Capital Partners, L.P., on behalf of its affiliates’ managed funds and/or accounts, as well as Intermarket Corp., Solus Alternative Asset Management LP,

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

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

Fortress Credit Corp., on behalf of its affiliates' managed funds and/or accounts, fund entities managed by Aurelius Capital Management, LP, and SP Special Opportunities, LLC have agreed to provide the LP DIP Obligors with replacement senior secured, priming, superpriority postpetition financing (the "Replacement LP DIP Facility") through and including June 15, 2014 on the terms set forth in the *Final Order (A) Authorizing LP DIP Obligors To Obtain Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* (the "Replacement LP DIP Order"), a copy of which is attached hereto as Exhibit A, which terms are substantially similar to the terms set forth in the *Final Order (A) Authorizing LP DIP Obligors To Obtain Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1291] (the "Original LP DIP Order"). A redline of the Replacement LP DIP Order marked against the Original LP DIP Order is attached hereto as Exhibit B.

**PLEASE TAKE FURTHER NOTICE** that LightSquared will present the Replacement LP DIP Order to the Honorable Shelley C. Chapman, Judge of the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), for signature on **April 9, 2014 at 4:30 p.m. (prevailing Eastern time)**.

**PLEASE TAKE FURTHER NOTICE** that responses or objections, if any, to the Replacement LP DIP Order must be made in writing, conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York, set forth the basis for the objection and the specific grounds therefor, and be filed with the

---

Replacement LP DIP Order (as defined below).

Bankruptcy Court (a) by registered users of the Bankruptcy Court's case filing system, electronically in accordance with General Order M-399 (which can be found at <http://nysb.uscourts.gov>) and (b) by all other parties in interest, in text-searchable portable document format (PDF) (with a hard copy delivered directly to Chambers (as defined below)), in accordance with the customary practices of the Bankruptcy Court and General Order M-399 and shall be served in accordance with General Order M-399 upon each of the following: (i) the chambers of the Honorable Shelley C. Chapman ("Chambers"), One Bowling Green, New York, New York 10004, 6th Floor, (ii) LightSquared Inc., 10802 Parkridge Boulevard, Reston, VA 20191, Attn: Marc R. Montagner and Curtis Lu, Esq., (iii) counsel to LightSquared, Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, NY 10005-1413, Attn: Matthew S. Barr, Esq. and Karen Gartenberg, Esq., (iv) counsel to the special committee of the boards of directors (the "Special Committee") for LightSquared Inc. and LightSquared GP Inc., Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10021, Attn: James H.M. Sprayregen, Esq., Paul M. Basta, Esq., and Joshua A. Sussberg, Esq., (v) the Office of the United States Trustee for the Southern District of New York, 201 Varick Street, Suite 1006, New York, NY 10014, Attn: Susan D. Golden, Esq., (vi) counsel to U.S. Bank, as administrative agent under the Prepetition Inc. Credit Agreement and the DIP Agreement, and MAST Capital Management, LLC, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036, Attn: Philip C. Dublin, Esq., Meredith A. Lahaie, Esq., and Kenneth A. Davis, Esq., (vii) counsel to UBS AG, Stamford Branch, as former administrative agent under the Prepetition Inc. Credit Agreement and as administrative agent under the Prepetition LP Credit Agreement, Latham & Watkins LLP, 885 Third Avenue, New York, NY 10022, Attn: Mark A. Broude, Esq., (viii) counsel to the Ad Hoc LP Secured Group, White & Case LLP, 1155 Avenue of the

Americas, New York, NY 10036, Attn: Thomas E Lauria, Esq. and Andrew C. Ambruoso, Esq., (ix) counsel to SP Special Opportunities, LLC, Willkie Farr & Gallagher LLP, Attn: Rachel C. Strickland, Esq. and James C. Dugan, Esq., (x) counsel to Fortress Credit Corp., Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, NY 10038, Attn: Kristopher M. Hansen Esq., Frank A. Merola Esq., and Jayme T. Goldstein, Esq., and (xi) counsel to Harbinger Capital Partners, LLC, Kasowitz, Benson, Torres & Friedman LLP, 1633 Broadway, New York, NY 10019, Attn: David M. Friedman, Esq. and Adam L. Shiff, Esq., so as to be actually received **no later than April 9, 2014 at 4:00 p.m. (prevailing Eastern time)** (the “Objection Deadline”). Only those responses or objections that are timely filed, served, and received will be considered at the Hearing.

**PLEASE TAKE FURTHER NOTICE** that if a written objection to the Replacement LP DIP Order is not received by the Objection Deadline, the Bankruptcy Court may deem any opposition waived and enter the Replacement LP DIP Order without further notice or hearing, and the LP DIP Obligors and the DIP Lenders shall be empowered to effectuate immediately the Replacement LP DIP Credit Documents (as defined in the Replacement LP DIP Order) without further order of the Court.

**PLEASE TAKE FURTHER NOTICE** that if a written objection is received by the Objection Deadline, a hearing will be held to consider the Replacement LP DIP Order, along with any written objection timely received, on **April 10, 2014 at 1:00 p.m. (prevailing Eastern time)** at the United States Bankruptcy Court for the Southern District of New York, Honorable Shelley C. Chapman, United States Bankruptcy Judge, One Bowling Green, New York, New York 10004, Courtroom 623. The moving and objecting parties are required to attend the

hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

**PLEASE TAKE FURTHER NOTICE** that a copy of the Replacement LP DIP Order may be obtained at no charge at <http://www.kccllc.net/LightSquared> or for a fee via PACER at <http://www.nysb.uscourts.gov>.

New York, New York  
Dated: April 2, 2014

Respectfully submitted,

/s/ Matthew S. Barr  
Matthew S. Barr  
Karen Gartenberg  
MILBANK, TWEED, HADLEY & McCLOY LLP  
One Chase Manhattan Plaza  
New York, NY 10005-1413  
(212) 530-5000

*Counsel to Debtors and Debtors in Possession*

**Exhibit A**

**Proposed Replacement LP DIP Order**



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

---

In re:

LIGHTSQUARED INC., *et al.*,

Debtors.<sup>1</sup>

---

)  
) Chapter 11

)  
) Case No. 12-12080 (SCC)

)  
) Jointly Administered  
)  
)

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

Upon the notice of presentment, dated April [\_\_\_], 2014 [Docket No. [\_\_\_]] (the “Motion”),<sup>2</sup> of LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), for entry of an order pursuant to sections 105, 361, 362, 363(c), 364(d), and 507 of title

---

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

<sup>2</sup> Terms used but not otherwise defined herein shall have the meanings given them, as applicable, in (a) Annex A hereto and (b) the *Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 544] (the “First Cash Collateral Order”) and, as amended and modified by (i) the *Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 1118] (the “First Order Amending First Cash Collateral Order”), (ii) the *Order Further Amending Amended Agreed Final Order (A) Authorizing Debtors to Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 1292] (the “Second Order Amending First Cash Collateral Order”), and (iii) the *Second Order Amending Amended Agreed Final Order (A) Authorizing Debtors to Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* (the “Third Order Amending First Cash Collateral Order”) and, as so amended, the “Final Cash Collateral Order”).

11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”), Rules 2002, 4001, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 4001-2 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the “Local Rules”), *inter alia*:

(i) authorizing LightSquared LP (the “LP DIP Borrower”) to obtain, and each existing and future, direct or indirect, subsidiary of the LP DIP Borrower (collectively, the “LP DIP Guarantors”) and, together with the LP DIP Borrower, the “LP DIP Obligors”) to unconditionally guarantee, jointly and severally, the LP DIP Borrower’s obligations in respect of, replacement senior secured, priming, superpriority postpetition financing (the “Replacement LP DIP Facility”) and, the loans made thereunder, the “Replacement LP DIP Loans”) made available by certain members of the ad hoc group of Prepetition LP Lenders (the “Ad Hoc LP Secured Group”), including Capital Research and Management Company and Cyrus Capital Partners, L.P., on behalf of its affiliates’ managed funds and/or accounts, as well as by Intermarket Corp., Solus Alternative Asset Management LP, Fortress Credit Corp., on behalf of its affiliates’ managed funds and/or accounts, fund entities managed by Aurelius Capital Management, LP, and SP Special Opportunities, LLC (each of the foregoing, an “LP DIP Lender”) and, collectively, the “LP DIP Lenders”), pursuant to the terms and conditions of this order (this “Order”), including (i) the terms and conditions set forth in Annex A hereto, (ii) the budget prepared by the Debtors and annexed hereto as Annex B (as updated from time to time pursuant to, and in accordance with, the terms of this Order, the “Replacement LP DIP Budget”), and (iii) the other Replacement LP DIP Credit Documents (as defined below);

(ii) authorizing and directing the LP DIP Obligors to execute and deliver, and perform under, (A) the terms of the Replacement LP DIP Facility as set forth in this Order, (B) the related Replacement Notes (as defined in Annex A hereto), substantially in the form annexed hereto as Annex C, to be issued in favor of each LP DIP Lender by the LP DIP Borrower, each in the original principal amount equal to the Replacement LP DIP Loan made by such LP DIP Lender as set forth in the “Replacement LP DIP Loan Allocation Schedule” set forth on Schedule 1 to Annex A, and (C) the related “LP DIP Obligor Guaranty,” substantially in the form annexed hereto as Annex D (this Order, the Replacement Notes, and each LP DIP Obligor Guaranty, collectively, the “Replacement LP DIP Credit Documents”), and to perform such other acts as may be necessary or desirable in connection with the Replacement LP DIP Facility;

(iii) granting to the LP DIP Lenders allowed superpriority administrative expense claims (the “LP DIP Superpriority Claims”) with priority over all other allowed chapter 11 and chapter 7 administrative expense claims, including the expenses of any chapter 7 trustee or chapter 11 trustee and the adequate protection claims and liens granted to the Prepetition LP Secured Parties under the Final Cash Collateral Order, in each of the LP DIP Obligors’ Chapter 11 Cases in respect of the Replacement LP DIP Obligations (as defined below);

(iv) granting to the LP DIP Lenders automatically perfected first priority priming security interests in, and liens on, all of the LP DIP Collateral (as defined below) in accordance with the terms set forth herein;

(v) authorizing the LP DIP Obligors to pay the principal, interest (including, without limit, interest paid in kind), fees, expenses, and other liabilities and amounts

payable, as set forth herein, including, without limitation, under each of the Replacement LP DIP Credit Documents, as they become due, all to the extent provided by, and in accordance with, the terms of this Order and the other Replacement LP DIP Credit Documents, as applicable;

(vi) reaffirming and confirming the adequate protection to the Prepetition LP Secured Parties for any Diminution in Value of their respective interests in the Prepetition LP Collateral (as defined in Annex A) through June 15, 2014 as provided in the Final Cash Collateral Order; and

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

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

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

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

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

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

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

E. **Notice.** Notice of the Hearing and the relief requested in the Motion has been provided by the Debtors, by telecopy, email, overnight courier and/or hand delivery, to (a) the U.S. Trustee, (b) the entities listed on the Consolidated List of Creditors Holding the 20 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d), (c) counsel to the agents under the Debtors' prepetition credit facilities, (d) counsel to U.S. Bank National Association and MAST Capital Management, LLC, (e) counsel to Harbinger Capital Partners, LLC, (f) the Internal Revenue Service, (g) the United States Attorney for the Southern District of New York, (h) the Federal Communications Commission, (i) Industry Canada, and (j) all parties having filed a

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

F. **Final Cash Collateral Order.** On February 19, 2013, the Court entered the First Cash Collateral Order, on December 20, 2013, the Court entered the First Order Amending First Cash Collateral Order, and, on February 4, 2014, the Court entered the Second Order Amending First Cash Collateral Order, which collectively provide for, among other things, the Debtors' continued use of the Prepetition LP Collateral, including Cash Collateral, subject to the terms contained therein, through April 15, 2014. Substantially simultaneously with entry of this Order, and as a prerequisite to the effectiveness of this Order, the Court will enter the Third Order Amending First Cash Collateral Order, which, among other things, amends the First Cash Collateral Order (as amended by the First Order Amending First Cash Collateral Order and the Second Order Amending First Cash Collateral Order) by (i) permitting the LP Debtors<sup>3</sup> to continue to use the Prepetition LP Collateral, including Cash Collateral, through and including June 15, 2014, (ii) permitting the LP Debtors to continue to make the Adequate Protection Payments on the terms set forth herein, (iii) allowing entry of this Order and approval of the Replacement LP DIP Facility, and (iv) preserving for the benefit of the Prepetition LP Secured Parties the LP Adequate Protection Liens and the LP Section 507(b) Claims.

G. **Initial LP DIP Facility.** On February 4, 2014, this Court entered the *Final Order (A) Authorizing LP DIP Obligors To Obtain Superpriority Senior Secured Priming Postpetition*

---

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

*Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1291] (the “Initial LP DIP Order”) and thereby approved, among other things, the provision of certain superpriority senior secured priming postpetition financing by the LP DIP Lenders to the LP DIP Obligors through April 15, 2014 (the “Initial LP DIP Facility”). Each of the LP DIP Obligors and the LP DIP Lenders under the Initial LP DIP Facility have consented to the entry of this Order and the Replacement LP DIP Facility, the proceeds of which shall be used to (i) pay in full all LP DIP Obligations under (and as defined in) the Initial LP DIP Facility and the Initial LP DIP Order, (ii) finance the general corporate and working capital needs of the LP DIP Obligors (and other purposes described in paragraph 3(a) below) through the Final Maturity Date (as defined below) and (iii) pay the LP DIP Professional Fees (as defined below).

H. **Immediate Need for Postpetition Financing.** The Debtors have requested immediate entry of this Order pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2). Good cause has been shown for entry of this Order. Since the Petition Date, the Debtors have been funding their businesses and the Chapter 11 Cases through the use of, among other things, the Prepetition LP Collateral (including Cash Collateral) and the proceeds of the Initial LP DIP Facility. The Prepetition LP Lenders’ Cash Collateral and the proceeds of the Initial LP DIP Facility are largely depleted. In the absence of the availability of the Replacement LP DIP Facility in accordance with the terms hereof, serious and irreparable harm to the LP Debtors and their estates and creditors would occur. Further, any remaining possibility for confirmation of a chapter 11 plan would be at severe risk in the absence of the availability of funds in accordance with the terms of this Order.

I. **No Credit Available on More Favorable Terms.** The Debtors have been unable to obtain, on more favorable terms and conditions than those provided in this Order, (a) adequate unsecured credit allowable under Bankruptcy Code section 503(b)(1) as an administrative expense, (b) credit for money borrowed with priority over any or all administrative expenses of the kind specified in sections 503(b) or 507(b) of the Bankruptcy Code, (c) credit for money borrowed secured by a lien on property of the estate that is not otherwise subject to a lien, or (d) credit for money borrowed secured by a junior lien on property of the estate which is subject to a lien. The Debtors are unable to obtain credit for borrowed money without granting the LP DIP Liens and the LP DIP Superpriority Claim to (or for the benefit of) the LP DIP Lenders.

J. **Use of Proceeds of Replacement LP DIP Facility, LP DIP Collateral.** All proceeds of the Replacement LP DIP Facility and the LP DIP Collateral, including proceeds realized from a sale or disposition thereof, or from payment thereon (net of any amounts used to pay interest, fees, costs, expenses, and other liabilities payable under this Order or the Final Cash Collateral Order), shall be used and/or applied (i) first, to repay in full all LP DIP Obligations under (and as defined in) the Initial LP DIP Facility and the Initial LP DIP Order, and (ii) second, for the general corporate and working capital purposes of the LP Debtors in accordance with this Order for the types of expenditures set forth in the Replacement LP DIP Budget and for no other purpose and to provide the LP Debtors with sufficient time and liquidity to confirm a chapter 11 plan of reorganization, all in accordance with the terms and conditions of this Order.

K. **Extension of Financing.** The LP DIP Lenders have indicated a willingness to provide financing to the LP DIP Obligors in accordance with the terms of this Order and the other Replacement LP DIP Credit Documents (as applicable), but only upon (i) the entry of this Order, including, without limitation, approval of the terms of the Replacement LP DIP Loans as



set forth herein and findings by this Court that the Replacement LP DIP Facility is essential to the LP Debtors' estates, that the LP DIP Lenders are good faith financiers, and that their claims, superpriority claims, security interests and liens, and other protections granted pursuant to this Order and the Replacement LP DIP Facility (including the LP DIP Superpriority Claim and the LP DIP Liens) will not be affected by any subsequent reversal, modification, vacatur, or amendment of, as the case may be, this Order, the Third Order Amending First Cash Collateral Order, or the Final Cash Collateral Order, as provided in section 364(e) of the Bankruptcy Code, (ii) the entry of the Third Order Amending First Cash Collateral Order, (iii) the execution and delivery of the Replacement Notes and the LP DIP Obligor Guaranties by each applicable LP DIP Obligor, (iv) delivery of certificates, if any, evidencing equity ownership in the Additional LP Subsidiary Guarantors (as defined below), together with undated stock powers therefor, executed in blank, to the Prepetition LP Collateral Trustee, (v) the payment of LP DIP Professional Fees as and to the extent provided for herein, and (vi) entry of an order in form and substance acceptable to the LP DIP Lenders by the Canadian Court in connection with the Canadian Proceedings recognizing the entry of this Order and authorizing such LP DIP Obligors to enter into the Replacement LP DIP Facility and perform its obligations thereunder (the "Canadian Recognition Order").

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

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

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

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

M. **Other Findings and Conclusions Regarding LP DIP Lenders.**

(i) **Indemnity.** The LP DIP Lenders have acted in good faith, and without negligence or violation of public policy or law, in respect of all actions taken by them in connection with, or related in any way to, negotiating, implementing, documenting, or obtaining requisite approvals of the Replacement LP DIP Facility, including in respect of the granting of the LP DIP Liens, any challenges or objections to the Replacement LP DIP Facility, and all documents related to and all transactions contemplated by the foregoing. Accordingly, the LP DIP Lenders shall be and hereby are indemnified and held harmless by the Debtors in respect of any claim or liability incurred in respect thereof or in any way related thereto. No exception or defense in contract, law, or equity exists as to any obligation (contractual or legal) to indemnify and/or hold harmless any of the LP DIP Lenders, and any such defenses are hereby waived, except to the extent resulting from the applicable LP DIP Lender's gross negligence or willful misconduct as determined by a final non-appealable order of a court of competent jurisdiction.

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

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

(iv) Release. The LP DIP Obligors forever and irrevocably release, discharge, and acquit each of the LP DIP Lenders, and each of their respective former, current and future officers, employees, directors, agents, representatives, owners, members, partners, financial and other advisors and consultants, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, and predecessors and successors in interest (collectively, the “Releasees”) of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness and obligations, in each case arising out of, in connection with, or relating to the Replacement LP DIP Facility and/or the Replacement LP DIP Credit Documents, including, without limitation, (x) any so-called “lender liability” or equitable subordination claims or defenses with respect to or relating to the Replacement LP DIP Obligations, LP DIP Liens, or Replacement LP DIP Facility, as applicable, (y) any and all claims and causes of action arising under the Bankruptcy Code, and (z) any and all claims with respect to the validity, priority, perfection, or avoidability of the liens or secured claims of the LP DIP Lenders.

N. Relief Essential; Best Interests. The relief requested in the Motion (and provided in this Order) is necessary, essential, and appropriate for the continued management and preservation of the Debtors’ assets and property and to preserve any remaining possibility of confirming a chapter 11 plan. It is in the best interest of the Debtors’ estates that the LP DIP Obligors be allowed to enter into the Replacement LP DIP Facility and incur the Replacement LP DIP Obligations.

O. **Adequate Protection for Prepetition LP Secured Parties.** The Prepetition LP Agent and the other Prepetition LP Secured Parties are entitled to adequate protection for the priming of their liens and the other rights granted to the LP DIP Lenders hereunder. The adequate protection provided to the Prepetition LP Secured Parties in the Final Cash Collateral Order is sufficient adequate protection of the interests of the Prepetition LP Secured Parties, and is fair, reasonable, and sufficiently reflects that the Debtors have exercised prudent business judgment in agreeing to this Order and entering into the Replacement LP DIP Facility. Nothing in this Order shall be construed as a consent by any Prepetition LP Secured Party that it would be adequately protected in the event of any alternative debtor in possession financing or for any purposes in the Chapter 11 Cases other than entry of this Order.

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

**IT IS ORDERED** that:

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

2. **Replacement LP DIP Facility.**

(a) **Replacement LP DIP Obligations; Availability and Final Maturity Date, etc.** The LP DIP Obligor are hereby expressly and immediately authorized and directed to enter into the Replacement LP DIP Facility, to borrow the Replacement LP DIP Loans, and to incur and to perform the Replacement LP DIP Obligations in accordance with and subject to this Order and, as applicable, any other Replacement LP DIP Credit Documents, to execute and/or

deliver any Replacement LP DIP Credit Documents and, as provided herein, all other instruments, certificates, agreements, and documents, and to take all actions, which may be reasonably required or otherwise necessary for the performance by the LP DIP Obligors under the Replacement LP DIP Facility, including the creation and perfection of the LP DIP Liens described and provided for herein. The LP DIP Obligors are hereby authorized and directed to pay all principal of the Replacement LP DIP Loans, interest thereon (including, without limitation, accrued but unpaid interest and interest paid in kind), fees and expenses, indemnities, and other amounts described herein and, as applicable, in the other Replacement LP DIP Credit Documents, as such shall accrue and become due hereunder or thereunder, including, without limitation, the LP DIP Professional Fees, as and to the extent provided for herein (collectively, all loans, advances, extensions of credit, financial accommodations, interest, fees (including the LP DIP Professional Fees as and to the extent provided for herein), expenses, and other liabilities and obligations (including indemnities and similar obligations) in respect of the Replacement LP DIP Facility and the Replacement LP DIP Credit Documents, the “Replacement LP DIP Obligations”). Interest on the Replacement LP DIP Loans shall accrue at the rates and be paid as set forth in Annex A hereto. The Replacement LP DIP Credit Documents and all Replacement LP DIP Obligations are hereby, and shall represent, constitute, and evidence, as the case may be, valid and binding obligations of the LP DIP Obligors, enforceable against the LP DIP Obligors, their estates, and any successors thereto in accordance with their terms. The term of the Replacement LP DIP Facility shall commence on the date all of the conditions precedent set forth in subparagraph (c) of this paragraph 2 are satisfied and end on June 15, 2014 or, if sooner, the effective date of any plan of reorganization confirmed in the LP Debtors’ Chapter 11 Cases (the “Final Maturity Date”), subject to the terms and conditions set forth herein and in the other

Replacement LP DIP Credit Documents, including the protections afforded a party acting in good faith under section 364(e) of the Bankruptcy Code. On the Final Maturity Date, all Replacement LP DIP Obligations shall be paid in full and in cash in U.S. dollars, and to each LP DIP Lender in accordance with its Relevant Percentage in accordance with payment instructions provided by each LP DIP Lender.

(b) **Authorization To Borrow; Guarantees, etc.** Subject to the terms and conditions of this Order and the other Replacement LP DIP Credit Documents (including the Replacement LP DIP Budget), the LP DIP Borrower is hereby authorized and directed to borrow the Replacement LP DIP Loans under the Replacement LP DIP Facility, and the LP DIP Borrower and such other LP DIP Obligor are authorized and are hereby deemed to, and shall, guarantee repayment of the Replacement LP DIP Loans and all other Replacement LP DIP Obligations, up to an aggregate principal amount of \$79,957,501, plus all interest (including, without limitation, interest paid in kind), fees, expenses, and all other liabilities and obligations constituting Replacement LP DIP Obligations under the Replacement LP DIP Credit Documents, in each case, without any right of notice, presentment, setoff, or waiver. Upon the making of the Replacement LP DIP Loans, the concurrent indefeasible payment in full of all LP DIP Obligations under (and as defined in) the Initial DIP Order and the satisfaction of the other conditions precedent set forth in paragraph 2(c) below, all Notes under (and as defined in) the Initial LP DIP Order are hereby cancelled.

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

DIP Loans have been satisfied (or are satisfied concurrently with the making of such Replacement LP DIP Loans): (i) the entry of this Order, including, without limitation, approval of the terms of the Replacement LP DIP Loans as set forth herein, (ii) the entry of the Third Order Amending First Cash Collateral Order, (iii) the execution and delivery of the Replacement Notes and the LP DIP Obligor Guaranties by each applicable LP DIP Obligor, (iv) delivery of certificates, if any, evidencing equity ownership in the Additional LP Subsidiary Guarantors, together with undated stock powers thereof, executed in blank, to the Prepetition LP Collateral Trustee, (v) the payment of the LP DIP Professional Fees, as and to the extent provided for herein, (vi) the entry of the Canadian Recognition Order, and (vii) all LP DIP Obligations under (and as defined in) the Initial LP DIP Order shall be indefeasibly paid in full, all commitments thereunder will be terminated, and any security interests or guarantees in connection therewith will be terminated or released.

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

(e) **LP DIP Liens**. Effective immediately upon the entry of this Order, and subject only to the LP Carve-Out (as defined in the Final Cash Collateral Order and as set forth more fully in this Order), the LP DIP Lenders are hereby granted the following security interests and liens, which shall immediately be valid, binding, perfected, continuing, enforceable, and non-avoidable (all such liens and security interests granted hereby, the “LP DIP Liens”):

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

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



Date and were permitted by the terms of the Prepetition LP Credit Documents (the “Senior Third Party Liens”); and

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

(f) **Other Provisions Relating to LP DIP Liens.** The LP DIP Liens shall secure all of the Replacement LP DIP Obligations. The LP DIP Liens shall not, without the consent of each of the LP DIP Lenders, be made junior to, or *pari passu* with, any other lien or security interest, other than to the extent expressly provided herein and to the LP Carve-Out, by any court order heretofore or hereafter entered in the Chapter 11 Cases of any of the LP DIP Obligors, and shall be valid and enforceable against any trustee appointed in the Chapter 11 Cases of any of the LP DIP Obligors, upon the conversion of any of the Chapter 11 Cases of any of the LP DIP Obligors to a case under chapter 7 of the Bankruptcy Code or in any other proceedings related to any of the foregoing (such cases or proceedings, “Successor Cases”), and/or upon the dismissal of any of the Chapter 11 Cases of any of the LP DIP Obligors. The LP DIP Liens shall not be subject to sections 510, 549, 550, or 551 of the Bankruptcy Code or the “equities of the case” exception of section 552 of the Bankruptcy Code or section 506(c) of the Bankruptcy Code.

(g) **Superpriority Administrative Claim Status.** The Replacement LP DIP Obligations shall, pursuant to section 364(c)(1) of the Bankruptcy Code, at all times constitute a LP DIP Superpriority Claim, and be payable from and have recourse to all LP DIP Collateral.

The LP DIP Superpriority Claim shall be subject and subordinate only to the LP Carve-Out. Other than to the extent expressly provided herein, and with respect to the LP Carve-Out, no costs or expenses of administration, including, without limitation, any LP Section 507(b) Claim granted under the Final Cash Collateral Order or hereunder or any professional fees allowed and payable under Bankruptcy Code sections 328, 330, and 331, or otherwise, that have been or may be incurred in these proceedings or in any Successor Cases, and no priority claims are, or will be, senior to, prior to, or *pari passu* with the LP DIP Superpriority Claim or any of the Replacement LP DIP Obligations, or with any other claims of the LP DIP Lenders arising hereunder, under the other Replacement LP DIP Credit Documents, or otherwise in connection with the Replacement LP DIP Facility.

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

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

forth in the Replacement LP DIP Budget and (B) payment of the LP DIP Professional Fees (as and to the extent set forth herein).

(b) Notwithstanding anything herein to the contrary, the LP DIP Obligors' right to use proceeds of Replacement LP DIP Loans shall terminate on the Final Maturity Date.

(c) Nothing in this Order shall authorize the disposition of any assets of the Debtors or their estates or other proceeds resulting therefrom outside the ordinary course of business, except as permitted herein (subject to any required Court approval).

(d) Except as permitted by this Order and the Replacement LP DIP Budget, the LP DIP Obligors shall not make any payment on any prepetition indebtedness or obligations other than those authorized by the Court in accordance with orders entered into, on, or prior to the date hereof.

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

5. **Monitoring of Collateral.** The LP DIP Lenders, by their respective consultants and advisors, shall, consistent with past practices, be given reasonable access to the Debtors' books, records, assets, and properties for purposes of monitoring the LP Debtors' businesses and

the value of the LP DIP Collateral, and shall be granted reasonable access to the Debtors' senior management.

6. **Financial and Other Reporting.** On Wednesday (or in the event such Wednesday is not a business day, the first business day thereafter) of each week, the LP Debtors will provide Willkie Farr & Gallagher LLP, Blackstone, and White & Case LLP (who shall reasonably promptly forward such information to each of the LP DIP Lenders at substantially the same time) with (a) cash balances as of the last day of the prior week and (b) a summary of material or key expenditures by category during the prior week. On the tenth (10<sup>th</sup>) day of each month or the first business day thereafter, the LP Debtors will provide Willkie Farr & Gallagher LLP, Blackstone, and White & Case LLP (who shall reasonably promptly forward such information to each of the LP DIP Lenders at substantially the same time) with a reconciliation of revenues generated and expenditures made during the prior month and cumulatively during the Chapter 11 Cases, together with a comparison of such amounts to the amounts projected in the Replacement LP DIP Budget. In addition, the Debtors shall provide Blackstone and White & Case LLP with any and all other financial information made available to the Prepetition LP Agent or Ad Hoc LP Secured Group pursuant to the Final Cash Collateral Order.

7. **LP DIP Lien Perfection.** This Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of the LP DIP Liens without the necessity of filing or recording any financing statement, deed of trust, mortgage, or other instrument or document which may otherwise be required under the law of any jurisdiction or the taking of any other action to validate or perfect the LP DIP Liens or to entitle the LP DIP Liens to the priorities granted herein. To the extent that the Prepetition LP Agent is the secured party under any account control agreements, listed as loss payee under any of the Debtors' insurance policies, or

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

8. **LP Carve-Out.** Subject to the terms and conditions contained in this paragraph, upon the occurrence of the Final Maturity Date, the LP DIP Liens and the LP DIP Superpriority Claim, which have the relative lien and payment priorities as set forth herein, shall, in any event, be subject and subordinate to the LP Carve-Out, without duplication. No portion of the LP Carve-Out and no proceeds of the Replacement LP DIP Facility or Replacement LP DIP Loans may be used for the payment of the fees and expenses of any person incurred in challenging, or in relation to the challenge of, any of the LP DIP Liens or the LP DIP Superpriority Claim.

9. **Payment of Compensation.** Nothing herein shall be construed as a consent to the allowance of any professional fees or expenses of any of the Debtors or shall limit or otherwise affect the right of the LP DIP Lenders and/or the Prepetition LP Secured Parties to object to the allowance and payment of any such fees and expenses. The LP Debtors shall be permitted to pay compensation and reimbursement of expenses allowed and payable under

sections 330 and 331 of the Bankruptcy Code and in accordance with the Replacement LP DIP Budget, as the same may be due and payable and the same shall not reduce the LP Carve-Out.

10. **Section 506(c) Claims.** Except to the extent of the LP Carve-Out, no expenses of the administration of these Chapter 11 Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the LP DIP Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law or in equity, without the prior written consent of the LP DIP Lenders, and no such consent shall be implied from any other action or inaction by the LP DIP Lenders.

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

accrued thereon in accordance with the terms of such indebtedness, or (iii) indebtedness incurred in the ordinary course and not for borrowed money, which would not be senior in right of payment to the Replacement LP DIP Obligations; or (d) any LP DIP Obligor to create, incur, assume, or permit to exist, directly or indirectly, any lien on any property now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except (i) liens granted pursuant to this Order or the other Replacement LP DIP Credit Documents, (ii) any lien in existence on the date of this Order (other than LP DIP Liens created pursuant to the Initial LP DIP Order, which shall be discharged and terminated in full upon payment in full of all LP DIP Obligations created under the Initial LP DIP Order and the other LP DIP Credit Documents (as defined in the Initial LP DIP Order) from the proceeds of the Replacement LP DIP Loans as set forth hereunder), and (iii) liens incurred in the ordinary course and which do not secure indebtedness for borrowed money, which would be junior to the LP DIP Liens.

12. **Proceeds of Subsequent Financing.** Without limiting the provisions and protections of paragraph 11 above, if at any time prior to the indefeasible repayment and satisfaction in full in cash of all Replacement LP DIP Obligations, the LP DIP Obligors' estates, any trustee, any examiner with enlarged powers, or any responsible officer subsequently appointed shall obtain credit or incur debt in violation of this Order or the other Replacement LP DIP Credit Documents, then all of the cash proceeds derived from such credit or debt shall immediately be turned over to the LP DIP Lenders for application in accordance with this Order.

13. **Cash Management.** Until the payment in full in cash of all Replacement LP DIP Obligations, the LP DIP Obligors shall maintain the cash management system as set forth in the *Final Order (A) Authorizing Debtors To (I) Continue Using Existing Cash Management Systems, Bank Accounts and Business Forms and (II) Continue Intercompany Transactions, (B) Providing*

*Postpetition Intercompany Claims Administrative Expense Priority, (C) Authorizing Debtors' Banks To Honor All Related Payment Requests, and (D) Waiving Investment Guidelines of Section 345(b) of Bankruptcy Code* [Docket No. 115] (the "Cash Management Order"), or as otherwise required by the Replacement LP DIP Credit Documents. To the extent the Debtors are required to give notice to any party as set forth in the Cash Management Order, such notice shall also be given to each of counsel to the LP DIP Lenders and the Ad Hoc LP Secured Group. The LP DIP Lenders shall be deemed to have "control" over the LP DIP Obligors' cash management accounts for all purposes of perfection under the Uniform Commercial Code. All amounts collected in the cash collection accounts of the LP DIP Obligors may be used and applied in accordance with this Order.

14. **Disposition of LP DIP Collateral.** The Debtors shall not sell, transfer, lease, encumber, or otherwise dispose of any portion of the LP DIP Collateral outside of the ordinary course of business unless approved by the Court, subject to the right of any party in interest to object.

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

(a) The authorization of the LP DIP Obligors to use the proceeds of the Replacement LP DIP Facility under this Order shall terminate on the Final Maturity Date.

(b) Any automatic stay otherwise applicable to the LP DIP Lenders in connection with the Replacement LP DIP Facility is hereby modified so that, following the Final Maturity Date, the LP DIP Lenders shall be immediately entitled to exercise all of their rights and remedies in respect of the LP DIP Collateral, in accordance with this Order and/or the other Replacement LP DIP Credit Documents, as applicable.



(c) Following the occurrence of the Final Maturity Date, if the Replacement LP DIP Obligations have not been indefeasibly paid in full in cash, the LP DIP Lenders are authorized to exercise all remedies and proceed under or pursuant to the applicable Replacement LP DIP Credit Documents (which, for the avoidance of doubt, shall be consistent with and incorporate, *mutatis mutandis* to make applicable to the LP DIP Lenders, the remedies available to the Prepetition LP Secured Parties under the Prepetition LP Credit Documents) or under applicable law, including the Uniform Commercial Code. All proceeds realized in connection with the exercise of the rights and remedies of the applicable LP DIP Lenders shall be turned over and applied in accordance with this Order.

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

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

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

Subject to the LP Carve-Out, upon and after the occurrence of the Final Maturity Date, each LP DIP Obligor has agreed that proceeds of any LP DIP Collateral, any amounts held on account of the LP DIP Collateral, and all payments and collections received by the LP DIP Obligors with respect to all proceeds of LP DIP Collateral and all unexpended proceeds of the Replacement LP DIP Loans, shall be used and applied to permanently and indefeasibly repay and reduce all Replacement LP DIP Obligations then due and owing in accordance with the Replacement LP DIP Credit Documents, until paid and satisfied in full in cash. No asset or property of the LP DIP Obligors may be sold, leased, or otherwise disposed of by any Debtor outside the ordinary course of business absent an order of the Court (and subject to the right to object of any party in interest), and in any event, all proceeds of such sale, lease, or disposition shall be indefeasibly applied to repay the Replacement LP DIP Obligations as provided herein.

17. **Other Rights and Obligations.**

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

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

(b) **Expenses**. The LP DIP Obligors shall pay all expenses incurred by the LP DIP Lenders (including, without limitation, the reasonable and documented fees and disbursements of their counsel, any other local or foreign counsel that they shall retain, and any internal or third-party appraisers, consultants, financial, restructuring, or other advisors and auditors advising any such counsel) in connection with (i) the preparation, execution, delivery, funding, and administration of the Replacement LP DIP Credit Documents, including, without limitation, all due diligence fees and expenses incurred or sustained in connection with the Replacement LP DIP Credit Documents and all expenses of the LP DIP Lenders directly arising from the Motion (including, without limitation, expenses and attorney's fees associated with the preparation and filing of objections and other responsive pleadings relating to the Motion and preparation for, and attendance at, any depositions taken in connection therewith), (ii) the administration of the Replacement LP DIP Credit Documents, or (iii) enforcement of any rights

or remedies under this Order or the Replacement LP DIP Credit Documents, in each case whether or not the transactions contemplated hereby are fully consummated (collectively, the “LP DIP Professional Fees”), which shall not exceed \$75,000 in the aggregate; provided, however, that, to the extent the LP DIP Professional Fees exceed \$75,000 in the aggregate, such excess amounts shall be paid as LP Professional Fees under, and in accordance with, the Final Cash Collateral Order.<sup>4</sup> The LP DIP Lenders, and their advisors and professionals, shall not be required to comply with the U.S. Trustee fee guidelines, but shall provide reasonably detailed statements (redacted, if necessary, for privileged, confidential, or otherwise sensitive information) to the Office of the U.S. Trustee and counsel for the Debtors. Within ten (10) days of presentment of and further statements, if no written objections to the reasonableness of the fees and expenses charged in any such invoice (or portion thereof) is made, the LP DIP Obligors shall promptly pay in cash all such fees and expenses of the LP DIP Lenders and their advisors and professionals, subject to the limitations set forth in this Order. Any objection to the payment of such fees or expenses shall be made only on the basis of “reasonableness,” and shall specify in writing the amount of the contested fees and expenses and the detailed basis for such objection. To the extent an objection only contests a portion of an invoice, the undisputed portion thereof shall be promptly paid. If any such objection to payment of an invoice (or any portion thereof) is not otherwise resolved between the Debtors or the U.S. Trustee and the issuer of the invoice, either party may submit such dispute to the Court for a determination as to the reasonableness of the relevant disputed fees and expenses set forth in the invoice. This Court shall resolve any dispute as to the reasonableness of any fees and expenses. For the avoidance of doubt, and without limiting any of the foregoing or any other provision of this Order, all fees and expenses

---

<sup>4</sup> Nothing herein shall impact the payment of the LP Professional Fees under, and in accordance with, the Final Cash Collateral Order.

are, upon entry of this Order and irrespective of any subsequent order approving or denying the Replacement LP DIP Facility or any other financing pursuant to section 364 of the Bankruptcy Code, fully entitled to all protections of section 364(e) of the Bankruptcy Code and are deemed fully earned, indefeasibly paid, non-refundable, irrevocable, and non-avoidable as of the date of this Order.

(c) **Binding Effect**. The provisions of this Order shall be binding upon and inure to the benefit of the LP DIP Lenders, the Debtors, and their respective successors and assigns (including any trustee or other fiduciary hereinafter appointed as a legal representative of the Debtors or with respect to the property of the estates of the Debtors) whether in the Chapter 11 Cases, in any Successor Cases, or upon dismissal of any such chapter 11 or chapter 7 case.

(d) **No Waiver**. The failure of the LP DIP Lenders to seek relief or otherwise exercise their rights and remedies under this Order or any other Replacement LP DIP Credit Documents or under applicable law or otherwise, as applicable, shall not constitute a waiver of any of the LP DIP Lenders' rights hereunder, thereunder, or otherwise. Notwithstanding anything herein, the entry of this Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise impair any of the rights, claims, privileges, objections, defenses, or remedies of the LP DIP Lenders under the Bankruptcy Code or under non-bankruptcy law against any other person or entity in any court, including without limitation, the rights of the LP DIP Lenders to (i) request conversion of the Chapter 11 Cases to cases under chapter 7, dismissal of the Chapter 11 Cases, or the appointment of a trustee in the Chapter 11 Cases, (ii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a Plan, or (iii) to exercise any of the rights, claims, or privileges (whether legal, equitable, or otherwise) on behalf of the LP DIP Lenders.

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

(f) **No Marshaling.** The LP DIP Lenders shall not be subject to the equitable doctrine of “marshaling” or any other similar doctrine with respect to any of the LP DIP Collateral.

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

(h) **Credit Bid Rights.** The LP DIP Lenders shall have the right to “credit bid” the Replacement LP DIP Obligations during any sale of any of the LP DIP Collateral or Prepetition LP Collateral of the LP DIP Obligors, as applicable, including, without limitation, in connection with sales occurring pursuant to Bankruptcy Code section 363 or included as part of any plan subject to confirmation under Bankruptcy Code section 1129.

(i) **Amendment.** No provision of the Replacement LP DIP Credit Documents may be amended, modified, supplemented, altered, or waived. Notwithstanding the foregoing or anything to the contrary in this Order, upon the giving of five (5) days’ notice to the Court, the U.S. Trustee, the Prepetition LP Agent, and the Prepetition Inc. Agent, the Final Maturity Date may be extended to June 30, 2014 upon the unanimous written consent of all of the LP DIP Lenders without further order of the Court.

(j) **Priority of Terms.** To the extent of any conflict between or among (i) any of the express terms or provisions of the Motion, any order of this Court (other than this Order), or any other agreements, on the one hand, and (ii) the express terms and provisions of this Order, on the other hand, unless such term or provision herein is phrased in terms of “defined in” or “as set forth in” another order of this Court or agreement, the terms and provisions of this Order shall govern.

(k) **Survival of Order.** The provisions of this Order and any actions taken pursuant hereto shall survive entry of any order which may be entered (i) confirming any Plan in the Chapter 11 Cases of any LP DIP Obligor, (ii) converting any of the Chapter 11 Cases of any LP DIP Obligor to a case under chapter 7 of the Bankruptcy Code, (iii) to the extent authorized by applicable law, dismissing any of the Chapter 11 Cases of any LP DIP Obligor, (iv) withdrawing of the reference of any of the Chapter 11 Cases of any LP DIP Obligor from this Court, or (v) providing for abstention from handling or retaining of jurisdiction of any of the Chapter 11 Cases of any LP DIP Obligor in this Court. The terms and provisions of this Order, including the LP DIP Liens and LP DIP Superpriority Claim granted pursuant to this Order, and any protections granted to or for the benefit of the LP DIP Lenders, shall continue in full force and effect notwithstanding the entry of such order, and such LP DIP Liens and LP DIP Superpriority Claims shall maintain their priority as provided by this Order and the other Replacement LP DIP Credit Documents until all of the Replacement LP DIP Obligations have been indefeasibly paid and satisfied in full in cash and discharged.

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

(m) **No Waivers or Modification of Order.** The Debtors irrevocably waive any right to seek any modification or extension of this Order.

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

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

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

Dated: April \_\_, 2014  
New York, New York

---

HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE



**ANNEX A**

**LP DIP FACILITY TERMS AND CONDITIONS**

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

**1. Terms of Borrowing.**

(a) Subject to the terms and conditions of this Order, the LP DIP Lenders agree, severally and not jointly, to make Replacement LP DIP Loans to LP DIP Borrower upon the satisfaction (or the concurrent satisfaction with the making of such Replacement LP DIP Loans) of the conditions precedent set forth in paragraph 2(c) of this Order, in an aggregate principal amount not to exceed its Relevant Percentage of \$73,957,501; provided, that no LP DIP Lender shall be responsible for the failure of any other LP DIP Lender to make any Replacement LP DIP Loan required to be made by such other LP DIP Lender.

(b) Each LP DIP Lender shall make each Replacement LP DIP Loan to be made by it hereunder by wire transfer of immediately available funds to an account directed by LP DIP Borrower in writing; provided, that (i) each LP DIP Lender shall satisfy its obligation to make such Replacement LP DIP Loan by funding in cash an amount equal to its Relevant Percentage of the Replacement LP DIP Loans minus the amount of LP DIP Obligations (as defined in the Initial LP DIP Order) due and owing to it pursuant to the Initial LP DIP Order and the LP DIP Credit Documents (as defined in the Initial LP DIP Order) and (ii) the amount of such LP DIP Obligations shall be deemed exchanged for, converted to, and thereafter constitute, Replacement LP DIP Loans hereunder.

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

**2. Interest on Replacement LP DIP Loans.**

(a) Subject to the provisions of Section 2(b) below, the Replacement LP DIP Loans shall bear interest at a rate *per annum* equal to 15.0%, payable in kind (the “PIK Interest”), by adding such accrued and unpaid interest to the unpaid principal amount of the Replacement LP DIP Loans on a monthly basis (whereupon from and after such date such additional amounts shall also accrue interest pursuant to this Section 2). All such PIK Interest so added shall be treated as principal of the Replacement LP DIP Loans for all purposes of this Order. The obligation of LP DIP Borrower to pay all such PIK Interest so added shall be automatically evidenced by this Order, and, if applicable, any applicable Replacement Notes.

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

the rate otherwise applicable to the Replacement LP DIP Loans as provided in Section 2(a).

(c) Interest Payment Dates. Accrued interest on each Replacement LP DIP Loan shall be payable on the Final Maturity Date for such Replacement LP DIP Loan; provided, that (i) interest accrued pursuant to Section 2(b) shall be payable on demand and (ii) in the event of any repayment or prepayment of any Replacement LP DIP Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment.

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

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

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

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

### 3. Final Maturity Date.

Following the Final Maturity Date, if the Replacement LP DIP Obligations have not been indefeasibly paid in full in cash, the full principal amount of the Replacement LP DIP Loans, together with accrued interest thereon and any unpaid accrued fees and all other Replacement LP DIP Obligations of LP DIP Obligors accrued hereunder and under any other Replacement LP DIP Credit Document, shall become forthwith due and payable, without presentment, demand,

protest, or any other notice of any kind, all of which are hereby expressly waived by the LP DIP Obligors, anything contained herein or in any other Replacement LP DIP Credit Document to the contrary notwithstanding. In addition, the automatic stay provided in section 362 of the Bankruptcy Code in connection with the Replacement LP DIP Facility shall be deemed automatically vacated without further action or order of the Court, and the LP DIP Lenders, shall be entitled, in their sole discretion, to enforce and exercise all of their respective rights and remedies under this Order and the other Replacement LP DIP Credit Documents (which, for the avoidance of doubt, shall be consistent with and incorporate, *mutatis mutandis* to make applicable to the LP DIP Lenders, the remedies available to the Prepetition LP Secured Parties under the Prepetition LP Credit Documents).

**4. Application of Proceeds.**

The proceeds received by the LP DIP Lenders in respect of any sale of, collection from, or other realization upon all or any part of the LP DIP Collateral pursuant to the exercise by such LP DIP Lenders of their remedies in accordance with this Order shall be applied, in full or in part, promptly by such LP DIP Lenders as follows:

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

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

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

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

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

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

**5. Amendments.**

The Annexes to this Order and any other Replacement LP DIP Credit Documents (including this Order) may not be amended, modified, supplemented, altered, or waived, except as otherwise provided for in this Order.

**6. Assignments.**

No LP DIP Lender may assign or otherwise transfer any of its rights or obligations hereunder (including, without limitation, by granting participations in Replacement LP DIP Loans other than as set forth below). Any attempted assignment or participation in violation of the preceding sentence shall be null and void. Notwithstanding the foregoing, any LP DIP Lender may at any time, without the consent of, or notice to, LP DIP Borrower or any other LP DIP Lender, sell participations to any person (other than a natural person, the LP DIP Borrower, or any of its Affiliates, or any Disqualified Company (as such term is defined in the Prepetition LP Credit Agreement) or an Affiliate (as such term is defined in the Prepetition LP Credit Agreement) thereof that is not a financial institution, private equity firm, bona fide debt fund, or hedge fund) (each, a "Participant") in all or a portion of such LP DIP Lender's rights and/or obligations under this Order (including all or a portion of the Replacement LP DIP Loans owing to it); provided, that (a) such LP DIP Lender's obligations under this Order shall remain unchanged, (b) such LP DIP Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (c) the LP DIP Borrower and the other LP DIP Lenders shall continue to deal solely and directly with such LP DIP Lender in connection with such LP DIP Lender's rights and obligations under this Order. Any agreement or instrument pursuant to which a Replacement DIP LP Lender sells such a participation shall provide that the relevant participant shall not be permitted to sell sub-participations to any natural person, the LP DIP Borrower or any of its Affiliates or any Disqualified Company or an Affiliate thereof that is not a financial institution, private equity firm, bona fide debt fund, or hedge fund.

**7. Integration.**

This Order, the other Replacement LP DIP Credit Documents, and the Final Cash Collateral Order constitute the entire contract among the LP DIP Obligors and the LP DIP Lenders relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

**8. Governing Law; Jurisdiction; Venue.**

(a) Governing Law. This Order and each other Replacement LP DIP Credit Document, and the transactions contemplated hereby and thereby, and all disputes between the LP DIP Obligors and the LP DIP Lenders under or relating to this Order or any other Replacement LP DIP Credit Document or the facts or circumstances leading to its or their execution, whether in contract, tort or otherwise, shall be construed in

accordance with, and governed by, the laws (including statutes of limitation) of the State of New York (and, to the extent applicable, the Bankruptcy Code).

(b) Submission to Jurisdiction. Each LP DIP Obligor hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Court, or to the extent that the Court does not have or does not exercise jurisdiction, the Supreme Court of the State of New York sitting in New York County and the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Replacement LP DIP Credit Document, or for recognition or enforcement of any judgment, and each of the LP DIP Obligors and LP DIP Lenders hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such Federal court. Each of the LP DIP Obligors and LP DIP Lenders agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Order or any other Replacement LP DIP Credit Document shall affect any right that any LP DIP Lender may otherwise have to bring any action or proceeding relating to this Order or any other Replacement LP DIP Credit Document against any LP DIP Obligor or its properties in the courts of any jurisdiction.

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

**9. Waiver of Jury Trial.**

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

**10. Interest Rate Limitation.**

Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Replacement LP DIP Loan, together with all fees, charges, and other amounts which are treated

as interest on such Replacement LP DIP Loan under applicable requirements of law (collectively, the “Charges”), shall exceed the maximum lawful rate (the “Maximum Rate”) which may be contracted for, charged, taken, received, or reserved by the LP DIP Lender holding such Replacement LP DIP Loan in accordance with applicable requirements of law, the rate of interest payable in respect of such Replacement LP DIP Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate, and, to the extent lawful, the interest and Charges that would have been payable in respect of such Replacement LP DIP Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such LP DIP Lender in respect of other Replacement LP DIP Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System of the United States arranged by federal funds brokers to the date of repayment, shall have been received by such LP DIP Lender.

#### **11. Currency Due.**

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

#### **12. Additional Defined Terms.**

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

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

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

“Relevant Percentage” shall mean, as to any LP DIP Lender, the percentage set forth opposite such LP DIP Lender’s name in the table set forth in Schedule I to this Annex A.

“Replacement Notes” shall mean any promissory note(s) evidencing the Replacement LP DIP Loans in the form set forth in Annex C hereto.

**SCHEDULE I TO ANNEX A**

**Replacement LP DIP Loan Allocation Schedule**

<u>Name of LP DIP Lender:</u>	<u>Relevant Percentage:</u>	<u>Principal Outstanding Under Initial LP DIP Facility:</u>	<u>Accrued Interest Under Initial LP DIP Facility as of 4/15/14:</u>	<u>Replacement LP DIP Loan Amount:</u>	<u>Net Funding Amount:</u>
SP Special Opportunities LLC	53.0%	\$17,505,590	\$507,928	\$39,232,414	\$21,218,897
Capital Research and Management Company, on behalf of American High-Income Trust	20.8%	\$6,866,469	\$199,232	\$15,388,694	\$8,322,993
Fortress Credit Corp., on behalf of its affiliates' managed funds and/or accounts	10.1%	\$3,346,042	\$97,086	\$7,498,937	\$4,055,809
Cyrus Capital Partners, L.P.	8.5%	\$2,788,548	\$80,910	\$6,249,516	\$3,380,058
SOLA LTD	3.6%	\$1,181,823	\$34,291	\$2,648,627	\$1,432,513
ULTRA MASTER LTD	1.0%	\$315,611	\$9,158	\$707,328	\$382,559
Solus Senior High Income Fund LP	0.2%	\$71,084	\$2,063	\$159,309	\$86,162
Intermarket Corporation, on behalf of Fernwood Associates LLC	0.6%	\$203,250	\$5,897	\$455,511	\$246,364



<u>Name of LP DIP Lender:</u>	<u>Relevant Percentage:</u>	<u>Principal Outstanding Under Initial LP DIP Facility:</u>	<u>Accrued Interest Under Initial LP DIP Facility as of 4/15/14:</u>	<u>Replacement LP DIP Loan Amount:</u>	<u>Net Funding Amount:</u>
Intermarket Corporation, on behalf of Fernwood Restructurings Ltd.	0.6%	\$203,250	\$5,897	\$455,511	\$246,364
Aurelius Capital Master, Ltd.	0.8%	\$267,094	\$7,750	\$598,595	\$323,751
ACP Master, Ltd.	0.6%	\$185,139	\$5,372	\$414,922	\$224,411
Aurelius Convergence Master, Ltd.	0.2%	\$66,099	\$1,918	\$148,136	\$80,120
<b>Total</b>	<b>100.0%</b>	<b>\$33,000,000</b>	<b>\$957,501</b>	<b>\$73,957,501</b>	<b>\$40,000,000</b>

**ANNEX B**

**REPLACEMENT LP DIP BUDGET**

# LightSquared LP Replacement DIP Budget for April-June 2014<sup>1</sup>

Dollars in thousands

Month		Apr-14	May-14	Jun-14
<b>LP Group Beginning Cash Balance (excluding Cash at TMI)</b>		<b>10,701</b>	<b>35,140</b>	<b>18,396</b>
<b>Sources</b>				
Satellite Revenue		2,224	1,414	1,331
Interest Income		2	4	4
Equity Financing		-	-	-
Net Debt Financing <sup>2</sup>		40,000	-	-
Other		-	-	-
<b>Total Sources</b>		<b>42,226</b>	<b>1,418</b>	<b>1,336</b>
<b>Uses (OPEX)</b>	In-Orbit / Launch Insurance	-	-	-
	ISAT Coop Agmt	5,000	-	-
	L-Band network infrastructure	12	12	12
	ERP	22	89	22
	Spectrum Management	-	-	-
	Staffing Related (entire company)	1,754	1,744	1,774
	Legal / Regulatory / Lobbying / International	1,553	888	949
	Facilities/Telecom	658	658	658
	G&A	2,907	336	336
	Travel Expenses (entire company)	50	50	50
	Other Items	1,371	1,106	768
	<b>Subtotal - USES (OPEX)</b>		<b>13,326</b>	<b>4,881</b>
<b>Uses (CAPEX)</b>	Boeing Payments	-	2,025	3,425
	Qualcomm	-	380	-
	Alcatel Lucent S-BTS	-	-	-
	<u>Current Network Maintenance/Capex</u>	-	250	-
<b>Subtotal - USES (CAPEX)</b>		<b>-</b>	<b>2,655</b>	<b>3,425</b>
<b>Debt Service</b>	Cash Interest	-	-	-
<b>Restructuring Related</b>	Restructuring Prof exclud W&C / Blackstone	9,668	4,375	4,693
	LP Adequate Protection Payments	6,250	6,250	6,250
<b>Total Uses</b>		<b>29,245</b>	<b>18,162</b>	<b>18,937</b>
<b>Net Uses (Total Sources - Total Uses)</b>		<b>12,981</b>	<b>(16,744)</b>	<b>(17,601)</b>
<b>LP Group Ending Cash Balance (excluding Cash at TMI)</b>		<b>23,682</b>	<b>18,396</b>	<b>795</b>
TMI Beginning Cash Balance		11,458	-	-
<u>Use of TMI Cash</u>		<u>(11,458)</u>	<u>-</u>	<u>-</u>
TMI Ending Cash Balance		-	-	-
<b>LP Group Ending Cash Balance including Cash at TMI</b>		<b>35,140</b>	<b>18,396</b>	<b>795</b>
<b>Inc Group Ending Cash Balance</b>		<b>17,247</b>	<b>6,377</b>	<b>2,727</b>
<b>Consolidated Ending Cash Balance including Cash at TMI</b>		<b>52,388</b>	<b>24,774</b>	<b>3,523</b>

<sup>1</sup> Projected payments

<sup>2</sup> Does not include payment of outstanding DIP financing

**ANNEX C**

**FORM OF TERM NOTE**

\$ \_\_\_\_\_

New York, New York  
\_\_\_\_\_, 2014

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

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

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

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

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

<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Replacement LP DIP Order.

**LIGHTSQUARED LP**

By: \_\_\_\_\_  
Name:  
Title:

**ANNEX D**

**FORM OF LP DIP OBLIGOR GUARANTY**

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

**W I T N E S S E T H :**

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

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

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

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

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

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

pay in full in cash when due (whether at stated maturity, by acceleration, or otherwise) any of the Replacement LP DIP Obligations, the LP DIP Guarantors will promptly pay the same in cash, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Replacement LP DIP Obligations, the same will be promptly paid in full in cash when due (whether at extended maturity, by acceleration, or otherwise) in accordance with the terms of such extension or renewal.

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

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

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

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

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

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

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

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

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

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

5. REMEDIES. After the Final Maturity Date, the LP DIP Guarantors jointly and severally agree that, as between the LP DIP Guarantors and the LP DIP Lenders, the obligations of LP DIP Borrower under the Replacement LP DIP Order and the Replacement Notes shall be due and payable as provided in the Replacement LP DIP Order for purposes of Section 1, notwithstanding any stay, injunction, or other



prohibition preventing such obligations from becoming automatically due and payable as against LP DIP Borrower and that such obligations (whether or not due and payable by LP DIP Borrower) shall become forthwith due and payable by the LP DIP Guarantors for purposes of Section 1.

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

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

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

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

10. COUNTERPARTS. This Guaranty may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with the LP DIP Borrower and the LP DIP Lenders. Delivery of an executed counterpart hereof by facsimile or other electronic means (including “.pdf”, “.tif” or similar format) shall be effective as delivery of a manually executed counterpart hereof.

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

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

\* \* \*

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

Address:

[\_\_\_\_\_]

[\_\_\_\_\_],

[\_\_\_\_\_]

as a LP DIP Guarantor

Tel:[\_\_\_\_\_]

Fax:[\_\_\_\_\_]

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

Name:

Title:

Accepted and Agreed to:

[\_\_\_\_\_],

as LP DIP Lender

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

Name:

Title:

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

Name:

Title:]

**Exhibit B**

**Redline of Replacement LP DIP Order Against Original LP DIP Order**

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

---

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

---

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

Upon the ~~motion~~notice of presentment, dated ~~January 17~~April [ ], 2014 [Docket No. ~~1237~~[ ]] (the “Motion”),<sup>2</sup> of LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), for entry of an order pursuant to sections 105, 361, 362, 363(c), 364(d), and

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

<sup>2</sup> Terms used but not otherwise defined herein shall have the meanings given them, as applicable, in (a) Annex A hereto and (b) the *Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 544] (the “First Cash Collateral Order” and, as amended and modified by (i) the *Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 1118] (the “First Order Amending First Cash Collateral Order”), ~~and~~ (ii) the *Order Further Amending Amended Agreed Final Order (A) Authorizing Debtors to Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 1292] (the “Second Order Amending First Cash Collateral Order”), and (iii) the Second Order Amending Amended Agreed Final Order (A) Authorizing Debtors to Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay (the “Third Order Amending First Cash Collateral Order”) and, as so amended, the “Final Cash Collateral Order”).

=

507 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”), Rules 2002, 4001, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 4001-2 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the “Local Rules”), *inter alia*:

(i) authorizing LightSquared LP (the “LP DIP Borrower”) to obtain, and each existing and future, direct or indirect, subsidiary of the LP DIP Borrower (collectively, the “LP DIP Guarantors” and, together with the LP DIP Borrower, the “LP DIP Obligors”) to unconditionally guarantee, jointly and severally, the LP DIP Borrower’s obligations in respect of, replacement senior secured, priming, superpriority postpetition financing (the “Replacement LP DIP Facility” and, the loans made thereunder, the “Replacement LP DIP Loans”) made available by certain members of the ad hoc group of Prepetition LP Lenders (the “Ad Hoc LP Secured Group”), including Capital Research and Management Company; and Cyrus Capital Partners, L.P., on behalf of its affiliates’ managed funds and/or accounts, ~~and~~ as well as by Intermarket Corp., ~~as well as by~~ Solus Alternative Asset Management LP, Fortress Credit Corp., on behalf of its affiliates’ managed funds and/or accounts, fund entities managed by Aurelius Capital Management, LP, and SP Special Opportunities, LLC (each of the foregoing, an “LP DIP Lender” and, collectively, the “LP DIP Lenders”), pursuant to the terms and conditions of this order (this “Order”), including (i) the terms and conditions set forth in Annex A hereto, (ii) the budget prepared by the Debtors and annexed hereto as Annex B (as updated from time to time pursuant to, and in accordance with, the terms of this Order, the “Replacement LP DIP Budget”), and (iii) the other Replacement LP DIP Credit Documents (as defined below);

-

(ii) authorizing and directing the LP DIP Obligors to execute and deliver, and perform under, (A) the terms of the Replacement LP DIP Facility as set forth in this Order, (B) the related Replacement Notes (as defined ~~below~~ in Annex A hereto), substantially in the form annexed hereto as Annex C, to be issued in favor of each LP DIP Lender by the LP DIP Borrower, each in the original principal amount equal to the Replacement LP DIP Loan made by such LP DIP Lender as set forth in the “Replacement LP DIP Loan Allocation Schedule” set forth on Schedule 1 to Annex A, and (C) the related “LP DIP Obligor Guaranty,” substantially in the form annexed hereto as Annex D (this Order, the Replacement Notes, and each LP DIP Obligor Guaranty, collectively, the “Replacement LP DIP Credit Documents”), and to perform such other acts as may be necessary or desirable in connection with the Replacement LP DIP Facility;

(iii) granting to the LP DIP Lenders allowed superpriority administrative expense claims (the “LP DIP Superpriority Claims”) with priority over all other allowed chapter 11 and chapter 7 administrative expense claims, including the expenses of any chapter 7 trustee or chapter 11 trustee and the adequate protection claims and liens granted to the Prepetition LP Secured Parties under the Final Cash Collateral Order, in each of the LP DIP Obligors’ Chapter 11 Cases in respect of the Replacement LP DIP Obligations (as defined below);

(iv) granting to the LP DIP Lenders automatically perfected first priority priming security interests in, and liens on, all of the LP DIP Collateral (as defined below) in accordance with the terms set forth herein;

=

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

(vi) reaffirming and confirming the adequate protection to the Prepetition LP Secured Parties for any Diminution in Value of their respective interests in the Prepetition LP Collateral (as defined in Annex A) through ~~April~~June 15, 2014 as provided in the Final Cash Collateral Order; and

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

The Court (as defined below) having considered the Motion, the terms of the Replacement LP DIP Facility, and the ~~Second~~Third Order Amending First Cash Collateral Order, ~~and the evidence submitted at the hearing held before this Court on February 4, 2014 (the "Hearing")~~, and in accordance with Bankruptcy Rules 2002, 4001(b), (c), and (d), and 9014 and the Local Rules, due and proper notice of the Motion ~~and the Hearing~~ having been given; and it appearing that approval of the relief requested in the Motion is fair and reasonable and in the best interests of the Debtors, their creditors, and their estates and essential for the continued maintenance and preservation of the Debtors' assets and property; and all objections, if any, to the entry of this Order having been withdrawn, resolved, or overruled by the Court; and after due deliberation and consideration, and for good and sufficient cause appearing therefor:



=

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

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

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

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

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

E. **Notice.** Notice of the Hearing and the relief requested in the Motion has been provided by the Debtors, by telecopy, email, overnight courier and/or hand delivery, to (a) the U.S. Trustee, (b) the entities listed on the Consolidated List of Creditors Holding the 20 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d), (c) counsel to the agents under the Debtors' prepetition credit facilities, (d) counsel to U.S. Bank National Association and MAST Capital Management, LLC, (e) counsel to Harbinger Capital Partners, LLC, (f) the Internal Revenue Service, (g) the United States Attorney for the Southern District of New York, (h) the Federal Communications Commission, (i) Industry Canada, and (j) all parties having filed a

=

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

F. **Final Cash Collateral Order.** On February 19, 2013, the Court entered the First Cash Collateral Order, ~~and,~~ on December 20, 2013, the Court entered the First Order Amending First Cash Collateral Order, ~~which together~~ and, on February 4, 2014, the Court entered the Second Order Amending First Cash Collateral Order, which collectively provide for, among other things, the Debtors' continued use of the Prepetition LP Collateral, including Cash Collateral, subject to the terms contained therein, through ~~January 31~~ April 15, 2014. Substantially simultaneously with entry of this Order, and as a prerequisite to the effectiveness of this Order, the Court will enter the ~~Second~~ Third Order Amending First Cash Collateral Order, which, among other things, amends the First Cash Collateral Order (as amended by the First Order Amending First Cash Collateral Order and the Second Order Amending First Cash Collateral Order) by (i) permitting the LP Debtors<sup>3</sup> to continue to use the Prepetition LP Collateral, including Cash Collateral, through and including ~~April~~ June 15, 2014, (ii) permitting the LP Debtors to continue to make the Adequate Protection Payments on the terms set forth herein, (iii) allowing entry of this Order and approval of the Replacement LP DIP Facility, and (iv) preserving for the benefit of the Prepetition LP Secured Parties the LP Adequate Protection Liens and the LP Section 507(b) Claims.

---

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

=

G. Initial LP DIP Facility. On February 4, 2014, this Court entered the Final Order (A) Authorizing LP DIP Obligors To Obtain Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay [Docket No. 1291] (the “Initial LP DIP Order”) and thereby approved, among other things, the provision of certain superpriority senior secured priming postpetition financing by the LP DIP Lenders to the LP DIP Obligors through April 15, 2014 (the “Initial LP DIP Facility”). Each of the LP DIP Obligors and the LP DIP Lenders under the Initial LP DIP Facility have consented to the entry of this Order and the Replacement LP DIP Facility, the proceeds of which shall be used to (i) pay in full all LP DIP Obligations under (and as defined in) the Initial LP DIP Facility and the Initial LP DIP Order, (ii) finance the general corporate and working capital needs of the LP DIP Obligors (and other purposes described in paragraph 3(a) below) through the Final Maturity Date (as defined below) and (iii) pay the LP DIP Professional Fees (as defined below).

H. ~~G.~~ Immediate Need for Postpetition Financing. The Debtors have requested immediate entry of this Order pursuant to Bankruptcy Rule 4001(b)(2) and (c)(2). Good cause has been shown for entry of this Order. Since the Petition Date, the Debtors have been funding their businesses and the Chapter 11 Cases through the use of, among other things, the Prepetition LP Collateral, (including Cash Collateral) and the proceeds of the Initial LP DIP Facility. The Prepetition LP Lenders’ Cash Collateral ~~is~~ and the proceeds of the Initial LP DIP Facility are largely depleted. In the absence of the availability of the Replacement LP DIP Facility in accordance with the terms hereof, serious and irreparable harm to the LP Debtors and their

=

estates and creditors would occur. Further, any remaining possibility for confirmation of a chapter 11 plan would be at severe risk in the absence of the availability of funds in accordance with the terms of this Order.

**I.** ~~**H.**~~ **No Credit Available on More Favorable Terms.** The Debtors have been unable to obtain, on more favorable terms and conditions than those provided in this Order, (a) adequate unsecured credit allowable under Bankruptcy Code section 503(b)(1) as an administrative expense, (b) credit for money borrowed with priority over any or all administrative expenses of the kind specified in sections 503(b) or 507(b) of the Bankruptcy Code, (c) credit for money borrowed secured by a lien on property of the estate that is not otherwise subject to a lien, or (d) credit for money borrowed secured by a junior lien on property of the estate which is subject to a lien. The Debtors are unable to obtain credit for borrowed money without granting the LP DIP Liens and the LP DIP Superpriority Claim to (or for the benefit of) the LP DIP Lenders.

**J.** ~~**I.**~~ **Use of Proceeds of Replacement LP DIP Facility, LP DIP Collateral.** All proceeds of the **Replacement** LP DIP Facility and the LP DIP Collateral, including proceeds realized from a sale or disposition thereof, or from payment thereon (net of any amounts used to pay interest, fees, costs, expenses, and other liabilities payable under this Order or the Final Cash Collateral Order), shall be used and/or applied **(i) first, to repay in full all LP DIP Obligations under (and as defined in) the Initial LP DIP Facility and the Initial LP DIP Order, and (ii) second,** for the general corporate and working capital purposes of the LP Debtors in accordance with this Order for the types of expenditures set forth in the **Replacement** LP DIP Budget and for no other purpose, and to provide the LP Debtors with sufficient time and liquidity to confirm a chapter 11 plan of reorganization, all in accordance with the terms and conditions of this Order.

=

**K.** ~~J.~~ **Extension of Financing.** The LP DIP Lenders have indicated a willingness to provide financing to the LP DIP Obligors in accordance with the terms of this Order and the other **Replacement** LP DIP Credit Documents (as applicable), but only upon (i) the entry of this Order, including, without limitation, approval of the terms of the **Replacement** LP DIP Loans as set forth herein and findings by this Court that the **Replacement** LP DIP Facility is essential to the LP Debtors' estates, that the LP DIP Lenders are good faith financiers, and that their claims, superpriority claims, security interests and liens, and other protections granted pursuant to this Order and the **Replacement** LP DIP Facility (including the LP DIP Superpriority Claim and the LP DIP Liens) will not be affected by any subsequent reversal, modification, vacatur, or amendment of, as the case may be, this Order, the ~~Second~~**Third** Order Amending First Cash Collateral Order, or the Final Cash Collateral Order, as provided in section 364(e) of the Bankruptcy Code, (ii) the entry of the ~~Second~~**Third** Order Amending First Cash Collateral Order, (iii) the execution and delivery of the **Replacement** Notes and the LP DIP Obligor Guaranties by each applicable LP DIP Obligor, (iv) delivery of certificates, if any, evidencing equity ownership in the Additional LP Subsidiary Guarantors (as defined below), together with undated stock powers therefor, executed in blank, to the Prepetition LP Collateral Trustee, (v) the payment of LP DIP Professional Fees (~~as defined below~~) as and to the extent provided for herein, and (vi) entry of an order in form and substance acceptable to the LP DIP Lenders by the Canadian Court in connection with the Canadian Proceedings recognizing the entry of this Order and authorizing such LP DIP Obligors to enter into the **Replacement** LP DIP Facility and perform its obligations thereunder (the "Canadian Recognition Order").

=

**L.** ~~**K.**~~ **Business Judgment and Good Faith Pursuant to Section 364(e).**

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

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

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

**M.** ~~**L.**~~ **Other Findings and Conclusions Regarding LP DIP Lenders.**

(i) Indemnity. The LP DIP Lenders have acted in good faith, and without negligence or violation of public policy or law, in respect of all actions taken by them in connection with, or related in any way to, negotiating, implementing, documenting, or obtaining requisite approvals of the Replacement LP DIP Facility, including in respect of the granting of the LP DIP Liens, any challenges or objections to the Replacement LP DIP Facility, and all documents related to and all transactions contemplated by the foregoing. Accordingly, the LP DIP Lenders shall be and hereby are indemnified and held harmless by the Debtors in respect of any claim or liability incurred in respect thereof or in any way related thereto. No exception or defense in contract, law, or equity exists as to any obligation (contractual or legal) to indemnify and/or hold harmless any of the LP DIP Lenders, and any such defenses are hereby waived,

=

except to the extent resulting from the applicable LP DIP Lender's gross negligence or willful misconduct as determined by a final non-appealable order of a court of competent jurisdiction.

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

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

(iv) Release. The LP DIP Obligors forever and irrevocably release, discharge, and acquit each of the LP DIP Lenders, and each of their respective former, current and future officers, employees, directors, agents, representatives, owners, members, partners, financial and other advisors and consultants, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, and predecessors and successors in interest (collectively, the "Releasees") of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness and obligations, in each case arising out of, in connection with, or relating to the Replacement LP DIP Facility and/or the Replacement LP DIP Credit Documents, including, without limitation, (x) any so-called "lender liability" or equitable subordination claims or defenses with respect to or relating to the Replacement LP DIP Obligations, LP DIP Liens, or Replacement LP DIP Facility, as applicable, (y) any and all claims and causes of action arising under the Bankruptcy Code, and (z) any and all claims with respect to the validity, priority, perfection, or avoidability of the liens or secured claims of the LP DIP Lenders.

=

N. ~~M.~~ **Relief Essential; Best Interests.** The relief requested in the Motion (and provided in this Order) is necessary, essential, and appropriate for the continued management and preservation of the Debtors' assets and property and to preserve any remaining possibility of confirming a chapter 11 plan. It is in the best interest of the Debtors' estates that the LP DIP Obligors be allowed to enter into the Replacement LP DIP Facility and incur the Replacement LP DIP Obligations.

O. ~~N.~~ **Adequate Protection for Prepetition LP Secured Parties.** The Prepetition LP Agent and the other Prepetition LP Secured Parties are entitled to adequate protection for the priming of their liens and the other rights granted to the LP DIP Lenders hereunder. The adequate protection provided to the Prepetition LP Secured Parties in the Final Cash Collateral Order is sufficient adequate protection of the interests of the Prepetition LP Secured Parties, and is fair, reasonable, and sufficiently reflects that the Debtors have exercised prudent business judgment in agreeing to this Order and entering into the Replacement LP DIP Facility. Nothing in this Order shall be construed as a consent by any Prepetition LP Secured Party that it would be adequately protected in the event of any alternative debtor in possession financing or for any purposes in the Chapter 11 Cases other than entry of this Order.

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

**IT IS ORDERED** that:

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



=

2. Replacement LP DIP Facility.

(a) Replacement LP DIP Obligations; Availability and Final Maturity

Date, etc. The LP DIP Obligors are hereby expressly and immediately authorized and directed to enter into the Replacement LP DIP Facility, to borrow the Replacement LP DIP Loans, and to incur and to perform the Replacement LP DIP Obligations in accordance with and subject to this Order and, as applicable, any other Replacement LP DIP Credit Documents, to execute and/or deliver any Replacement LP DIP Credit Documents and, as provided herein, all other instruments, certificates, agreements, and documents, and to take all actions, which may be reasonably required or otherwise necessary for the performance by the LP DIP Obligors under the Replacement LP DIP Facility, including the creation and perfection of the LP DIP Liens described and provided for herein. The LP DIP Obligors are hereby authorized and directed to pay all principal of the Replacement LP DIP Loans, interest thereon (including, without limitation, accrued but unpaid interest and interest paid in kind), fees and expenses, indemnities, and other amounts described herein and, as applicable, in the other Replacement LP DIP Credit Documents, as such shall accrue and become due hereunder or thereunder, including, without limitation, the LP DIP Professional Fees, as and to the extent provided for herein (collectively, all loans, advances, extensions of credit, financial accommodations, interest, fees (including the LP DIP Professional Fees as and to the extent provided for herein), expenses, and other liabilities and obligations (including indemnities and similar obligations) in respect of the Replacement LP DIP Facility and the Replacement LP DIP Credit Documents, the “Replacement LP DIP Obligations”). Interest on the Replacement LP DIP Loans shall accrue at the rates and be paid as set forth in Annex A hereto. The Replacement LP DIP Credit Documents and all Replacement LP DIP Obligations are hereby, and shall represent, constitute, and evidence, as

=

the case may be, valid and binding obligations of the LP DIP Obligors, enforceable against the LP DIP Obligors, their estates, and any successors thereto in accordance with their terms. The term of the Replacement LP DIP Facility shall commence on the date all of the conditions precedent set forth in subparagraph (c) of this paragraph 2 are satisfied and end on ~~April~~June 15, 2014 or, if sooner, the effective date of any plan of reorganization confirmed in the LP Debtors' Chapter 11 Cases (the "Final Maturity Date"), subject to the terms and conditions set forth herein and in the other Replacement LP DIP Credit Documents, including the protections afforded a party acting in good faith under section 364(e) of the Bankruptcy Code. On the Final Maturity Date, all Replacement LP DIP Obligations shall be paid in full and in cash in U.S. dollars, and to each LP DIP Lender in accordance with its Relevant Percentage in accordance with payment instructions provided by each LP DIP Lender.

(b) **Authorization To Borrow; Guarantees, etc.** Subject to the terms and conditions of this Order and the other Replacement LP DIP Credit Documents (including the Replacement LP DIP Budget), the LP DIP Borrower is hereby authorized and directed to borrow the Replacement LP DIP Loans under the Replacement LP DIP Facility, and the LP DIP Borrower and such other LP DIP Obligors are authorized and are hereby deemed to, and shall, guarantee repayment of the Replacement LP DIP Loans and all other Replacement LP DIP Obligations, up to an aggregate principal amount of \$~~33,000,000~~79,957,501, plus all interest (including, without limitation, interest paid in kind), fees, expenses, and all other liabilities and obligations constituting Replacement LP DIP Obligations under the Replacement LP DIP Credit ~~Agreement~~Documents, in each case, without any right of notice, presentment, setoff, or waiver. **Upon the making of the Replacement LP DIP Loans, the concurrent indefeasible payment in full of all LP DIP Obligations under (and as defined in) the Initial DIP Order**

=

and the satisfaction of the other conditions precedent set forth in paragraph 2(c) below, all Notes under (and as defined in) the Initial LP DIP Order are hereby cancelled.

(c) **Conditions Precedent.** No LP DIP Lender shall have any obligation to make its **Replacement** LP DIP Loan or any other financial accommodation hereunder or under the other **Replacement** LP DIP Credit Documents (and the LP DIP Borrower shall not make any request therefor) unless all of the following conditions precedent to making **the Replacement** LP DIP ~~Loan~~**Loans** have been satisfied **(or are satisfied concurrently with the making of such Replacement LP DIP Loans)**: (i) the entry of this Order, including, without limitation, approval of the terms of the **Replacement** LP DIP Loans as set forth herein, (ii) the entry of the ~~Second~~**Third** Order Amending First Cash Collateral Order, (iii) the execution and delivery of the **Replacement** Notes and the LP DIP Obligor Guaranties by each applicable LP DIP Obligor, (iv) delivery of certificates, if any, evidencing equity ownership in the Additional LP Subsidiary Guarantors, together with undated stock powers ~~therefor~~**thereof**, executed in blank, to the Prepetition LP Collateral Trustee, (v) the payment of the LP DIP Professional Fees, as and to the extent provided for herein, ~~and~~-(vi) the entry of the Canadian Recognition Order-, **and (vii) all LP DIP Obligations under (and as defined in) the Initial LP DIP Order shall be indefeasibly paid in full, all commitments thereunder will be terminated, and any security interests or guarantees in connection therewith will be terminated or released.**

(d) **LP DIP Collateral.** As used herein, "**LP DIP Collateral**" shall mean all Prepetition LP Collateral (as defined in Annex A), including Cash Collateral of the Prepetition LP Secured Parties, of any LP DIP Obligor together with (i) all equity interests of any LP Debtor in LightSquared Finance Co., LightSquared Network LLC, and Lightsquared Bermuda Ltd. (together, the "**Additional LP DIP Subsidiary Guarantors**"), and (ii) all now owned or hereafter

=

acquired assets and property, whether real or personal, tangible or intangible, of each of the Additional LP DIP Subsidiary Guarantors; provided, however, that the LP DIP Collateral shall not include any permit or license issued by a Governmental Authority (as defined in the Prepetition LP Credit Agreement) or other agreement to the extent and for so long as the terms thereof validly prohibit the creation by the pledgor thereof of a security interest in such permit, license, or other agreement.

(e) **LP DIP Liens**. Effective immediately upon the entry of this Order, and subject only to the LP Carve-Out (as defined in the Final Cash Collateral Order and as set forth more fully in this Order), the LP DIP Lenders are hereby granted the following security interests and liens, which shall immediately be valid, binding, perfected, continuing, enforceable, and non-avoidable (all such liens and security interests granted hereby, the “LP DIP Liens”):

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

(II) pursuant to section 364(c)(3) of the Bankruptcy Code, valid, enforceable, perfected, and non-avoidable liens on and security interests in (x) all LP DIP Collateral which is unencumbered by the Prepetition LP Liens but on which a third party, i.e., not the Prepetition LP Secured Parties (a “Third Party Lienholder”), had a pre-existing lien on the Petition Date and (y) all LP DIP Collateral encumbered by the Prepetition LP Liens and LP Adequate Protection Liens on which a Third Party

=

Lienholder had a pre-existing lien on the Petition Date that was senior to the Prepetition LP Liens, in each case junior only to any such liens and security interests of Third Party Lienholders, but solely to the extent that such liens and security interests of Third Party Lienholders were in each case valid, enforceable, perfected, and non-avoidable as of the Petition Date and were permitted by the terms of the Prepetition LP Credit Documents (the “Senior Third Party Liens”); and

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

(f) **Other Provisions Relating to LP DIP Liens.** The LP DIP Liens shall secure all of the Replacement LP DIP Obligations. The LP DIP Liens shall not, without the consent of each of the LP DIP Lenders, be made ~~subject~~junior to, or *pari passu* with, any other lien or security interest, other than to the extent expressly provided herein and to the LP Carve-Out, by any court order heretofore or hereafter entered in the Chapter 11 Cases of any of the LP DIP Obligors, and shall be valid and enforceable against any trustee appointed in the Chapter 11 Cases of any of the LP DIP Obligors, upon the conversion of any of the Chapter 11 Cases of any of the LP DIP Obligors to a case under chapter 7 of the Bankruptcy Code or in any other proceedings related to any of the foregoing (such cases or proceedings, “Successor Cases”), and/or upon the dismissal of any of the Chapter 11 Cases of any of the LP DIP Obligors. The LP DIP Liens shall not be subject to sections 510, 549, 550, or 551 of the Bankruptcy Code or the

=

“equities of the case” exception of section 552 of the Bankruptcy Code or section 506(c) of the Bankruptcy Code.

(g) **Superpriority Administrative Claim Status.** The **Replacement** LP DIP Obligations shall, pursuant to section 364(c)(1) of the Bankruptcy Code, at all times constitute ~~an~~ LP DIP Superpriority Claim, and be payable from and have recourse to all LP DIP Collateral. The LP DIP Superpriority Claim shall be subject and subordinate only to the LP Carve-Out. Other than to the extent expressly provided herein, and with respect to the LP Carve-Out, no costs or expenses of administration, including, without limitation, any LP Section 507(b) Claim granted under the Final Cash Collateral Order or hereunder or any professional fees allowed and payable under Bankruptcy Code sections 328, 330, and 331, or otherwise, that have been or may be incurred in these proceedings or in any Successor Cases, and no priority claims are, or will be, senior to, prior to, or *pari passu* with the LP DIP Superpriority Claim or any of the **Replacement** LP DIP Obligations, or with any other claims of the LP DIP Lenders arising hereunder, under the other **Replacement** LP DIP Credit Documents, or otherwise in connection with the **Replacement** LP DIP Facility.

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

(a) Subject to the terms and conditions of this Order and the other **Replacement** LP DIP Credit Documents, and to the adequate protection granted to or for the benefit of the Prepetition LP Secured Parties as hereinafter set forth, each LP DIP Obligor is authorized **and directed** to request and use proceeds of the **Replacement** LP DIP Loans, ~~in each case only for the purposes specifically set forth in this Order and for the types of expenditures set forth in the LP DIP Budget~~ **(i) first, to indefeasibly repay in full all outstanding LP DIP**

=

Obligations under (and as defined in) the Initial LP DIP Order and the other LP DIP Credit Documents (as defined in the Initial LP DIP Order) and (ii) second, for ~~(a)~~ working capital ~~and~~ other general corporate purposes, and ~~(b)~~ permitted payment of costs of administration of the LP Debtors' Chapter 11 Cases in order to provide the LP Debtors with sufficient time and liquidity to confirm a plan of reorganization, in each case only for the purposes specifically set forth in this Order and for the types of expenditures set forth in the Replacement LP DIP Budget and (B) payment of the LP DIP Professional Fees (as and to the extent set forth herein).

(b) Notwithstanding anything herein to the contrary, the LP DIP Obligors' right to use proceeds of Replacement LP DIP Loans shall terminate on the Final Maturity Date.

(c) Nothing in this Order shall authorize the disposition of any assets of the Debtors or their estates or other proceeds resulting therefrom outside the ordinary course of business, except as permitted herein (subject to any required Court approval).

(d) Except as permitted by this Order and the Replacement LP DIP Budget, the LP DIP Obligors shall not make any payment on any prepetition indebtedness or obligations other than those authorized by the Court in accordance with orders entered into, on, or prior to the date hereof.

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

=

Protection Payments (including payment of the LP Professional Fees), in each case, pursuant to and as more fully set forth in the Final Cash Collateral Order.

5. **Monitoring of Collateral.** The LP DIP Lenders, by their respective consultants and advisors, shall, consistent with past practices, be given reasonable access to the Debtors' books, records, assets, and properties for purposes of monitoring the LP Debtors' businesses and the value of the LP DIP Collateral, and shall be granted reasonable access to the Debtors' senior management.

6. ~~**Financial and Other Reporting-**~~

**Financial and Other Reporting.** On Wednesday (or in the event such Wednesday is not a business day, the first business day thereafter) of each week, the LP Debtors will provide Willkie Farr & Gallagher LLP, Blackstone, and White & Case LLP (who shall reasonably promptly forward such information to each of the LP DIP Lenders at substantially the same time) with (a) cash balances as of the last day of the prior week and (b) a summary of material or key expenditures by category during the prior week. On the tenth (10<sup>th</sup>) day of each month or the first business day thereafter, the LP Debtors will provide Willkie Farr & Gallagher LLP, Blackstone, and White & Case LLP (who shall reasonably promptly forward such information to each of the LP DIP Lenders at substantially the same time) with ~~(x)~~ a reconciliation of revenues generated and expenditures made during the prior month and cumulatively during the Chapter 11 Cases, together with a comparison of such amounts to the amounts projected in the **Replacement LP DIP Budget** ~~and (y) an update of the LP DIP Budget through April 2014 (for forecasting and informational purposes only)~~. In addition, the Debtors shall provide Blackstone and White & Case LLP with any and all other financial information made available to the Prepetition LP Agent or Ad Hoc LP Secured Group pursuant to the Final Cash Collateral Order.



=

7. **LP DIP Lien Perfection.** This Order shall be sufficient and conclusive evidence of the validity, perfection, and priority of the LP DIP Liens without the necessity of filing or recording any financing statement, deed of trust, mortgage, or other instrument or document which may otherwise be required under the law of any jurisdiction or the taking of any other action to validate or perfect the LP DIP Liens or to entitle the LP DIP Liens to the priorities granted herein. To the extent that the Prepetition LP Agent is the secured party under any account control agreements, listed as loss payee under any of the Debtors' insurance policies, or is the secured party under any [Replacement](#) LP DIP Credit Document, the LP DIP Lenders are also deemed to be secured parties under such account control agreements, loss payees under the Debtors' insurance policies, and the secured parties under each such [Replacement](#) LP DIP Credit Document, shall have all rights and powers attendant to that position (including, without limitation, rights of enforcement), and shall act in that capacity and distribute any proceeds recovered or received in accordance with the terms of this Order and the other [Replacement](#) LP DIP Credit Documents. The Prepetition LP Collateral Trustee shall serve as the agent for the LP DIP Lenders for the purpose of perfecting their respective security interests and liens on all LP DIP Collateral that is of a type whereby perfection of a security interest therein may be accomplished only by possession or control by a secured party.

8. **LP Carve-Out.** Subject to the terms and conditions contained in this paragraph, upon the occurrence of the Final Maturity Date, the LP DIP Liens and the LP DIP Superpriority Claim, which have the relative lien and payment priorities as set forth herein, shall, in any event, be subject and subordinate to the LP Carve-Out, without duplication. No portion of the LP Carve-Out and no proceeds of the [Replacement](#) LP DIP Facility or [Replacement](#) LP DIP Loans

=

may be used for the payment of the fees and expenses of any person incurred in challenging, or in relation to the challenge of, any of the LP DIP Liens or the LP DIP Superpriority Claim.

9. **Payment of Compensation.** Nothing herein shall be construed as a consent to the allowance of any professional fees or expenses of any of the Debtors or shall limit or otherwise affect the right of the LP DIP Lenders and/or the Prepetition LP Secured Parties to object to the allowance and payment of any such fees and expenses. The LP Debtors shall be permitted to pay compensation and reimbursement of expenses allowed and payable under sections 330 and 331 of the Bankruptcy Code and in accordance with the **Replacement** LP DIP Budget, as the same may be due and payable and the same shall not reduce the LP Carve-Out.

10. **Section 506(c) Claims.** Except to the extent of the LP Carve-Out, no expenses of the administration of these Chapter 11 Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the LP DIP Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law or in equity, without the prior written consent of the LP DIP Lenders, and no such consent shall be implied from any other action or inaction by the LP DIP Lenders.

11. **Collateral Rights; Limitations in Respect of Subsequent Court Orders.** Without limiting, and subject to, any other provisions of this Order, there shall not be entered in the Chapter 11 Cases of any LP DIP Obligor, or in any Successor Case, any order which authorizes (a) the obtaining of credit or the incurring of indebtedness that is secured by a security, mortgage, or collateral interest or other lien on all or any portion of the LP DIP Collateral and/or entitled to priority administrative status which is superior to or *pari passu* with those granted pursuant to this Order to or for the benefit of the LP DIP Lenders or the Prepetition

=

LP Secured Parties; (b) the use of Cash Collateral for any purpose other than as set forth in the Final Cash Collateral Order or the Replacement LP DIP Budget; (c) any LP DIP Obligor to incur, create, assume, guarantee, or permit to exist, directly or indirectly, any additional indebtedness, except (i) indebtedness incurred under this Order and the other Replacement LP DIP Credit Documents, (ii) indebtedness existing on the date of this Order (other than indebtedness created pursuant to the Initial LP DIP Order, which shall be repaid in full from the proceeds of the Replacement LP DIP Loans as set forth herein) and additional indebtedness accrued thereon in accordance with the terms of such indebtedness, or (iii) indebtedness incurred in the ordinary course and not for borrowed money, which would not be senior in right of payment to the Replacement LP DIP Obligations; or (d) any LP DIP Obligor to create, incur, assume, or permit to exist, directly or indirectly, any lien on any property now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except (i) liens granted pursuant to this Order or the other Replacement LP DIP Credit Documents, (ii) any lien in existence on the date of this Order (other than LP DIP Liens created pursuant to the Initial LP DIP Order, which shall be discharged and terminated in full upon payment in full of all LP DIP Obligations created under the Initial LP DIP Order and the other LP DIP Credit Documents (as defined in the Initial LP DIP Order) from the proceeds of the Replacement LP DIP Loans as set forth hereunder), and (iii) liens incurred in the ordinary course and which do not secure indebtedness for borrowed money, which would be junior to the LP DIP Liens.

12. **Proceeds of Subsequent Financing.** Without limiting the provisions and protections of paragraph 11 above, if at any time prior to the indefeasible repayment and satisfaction in full in cash of all Replacement LP DIP Obligations, the LP DIP Obligors' estates,

=

any trustee, any examiner with enlarged powers, or any responsible officer subsequently appointed shall obtain credit or incur debt in violation of this Order or the other [Replacement](#) LP DIP Credit Documents, then all of the cash proceeds derived from such credit or debt shall immediately be turned over to the LP DIP Lenders for application in accordance with this Order.

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

14. **Disposition of LP DIP Collateral.** The Debtors shall not sell, transfer, lease, encumber, or otherwise dispose of any portion of the LP DIP Collateral outside of the ordinary course of business unless approved by the Court, subject to the right of any party in interest to object.

=

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

(a) The authorization of the LP DIP Obligors to use the proceeds of the [Replacement](#) LP DIP Facility under this Order shall terminate on the Final Maturity Date.

(b) Any automatic stay otherwise applicable to the LP DIP Lenders in connection with the [Replacement](#) LP DIP Facility is hereby modified so that, following the Final Maturity Date, the LP DIP Lenders shall be immediately entitled to exercise all of their rights and remedies in respect of the LP DIP Collateral, in accordance with this Order and/or the other [Replacement](#) LP DIP Credit Documents, as applicable.

(c) Following the occurrence of the Final Maturity Date, if the [Replacement](#) LP DIP Obligations have not been indefeasibly paid in full in cash, the LP DIP Lenders are authorized to exercise all remedies and proceed under or pursuant to the applicable [Replacement](#) LP DIP Credit Documents (which, for the avoidance of doubt, shall be consistent with and incorporate, *mutatis mutandis* to make applicable to the LP DIP Lenders, the remedies available to the Prepetition LP Secured Parties under the Prepetition LP Credit Documents) or under applicable law, including the Uniform Commercial Code. All proceeds realized in connection with the exercise of the rights and remedies of the applicable LP DIP Lenders shall be turned over and applied in accordance with this Order.

(d) The automatic stay imposed under Bankruptcy Code section 362(a) is hereby modified pursuant to the terms of the [Replacement](#) LP DIP Credit Documents as necessary to (i) permit the LP DIP Obligors to grant LP DIP Liens and to incur all [Replacement](#) LP DIP Obligations and all liabilities and obligations to the LP DIP Lenders hereunder and under the other [Replacement](#) LP DIP Credit Documents, as the case may be, and (ii) authorize the LP

=

DIP Lenders to retain and apply payments and otherwise enforce their respective rights and remedies hereunder.

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

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

Subject to the LP Carve-Out, upon and after the occurrence of the Final Maturity Date, each LP DIP Obligor has agreed that proceeds of any LP DIP Collateral, any amounts held on account of the LP DIP Collateral, and all payments and collections received by the LP DIP Obligors with respect to all proceeds of LP DIP Collateral and all unexpended proceeds of the Replacement LP DIP Loans, shall be used and applied to permanently and indefeasibly repay and reduce all Replacement LP DIP Obligations then due and owing in accordance with the Replacement LP DIP Credit Documents, until paid and satisfied in full in cash. No asset or property of the LP DIP Obligors may be sold, leased, or otherwise disposed of by any Debtor outside the ordinary course of business absent an order of the Court (and subject to the right to object of any party in interest), and in any event, all proceeds of such sale, lease, or disposition shall be indefeasibly applied to repay the Replacement LP DIP Obligations as provided herein.

17. **Other Rights and Obligations.**

(a) **Good Faith Under Section 364(e) of the Bankruptcy Code; No Modification or Stay of Order.** Based on the findings set forth in this Order and in accordance

=

with section 364(e) of the Bankruptcy Code, which is applicable to the Replacement LP DIP Facility as approved by this Order, in the event any or all of the provisions of this Order are hereafter modified, amended, or vacated by a subsequent order of this Court or any other court, the LP DIP Lenders are entitled to the protections provided in section 364(e) of the Bankruptcy Code, and no such appeal, modification, amendment, or vacatur shall affect the validity and enforceability of any advances made hereunder or the liens or priority authorized or created hereby. Notwithstanding any such modification, amendment, or vacatur, any claim granted to the LP DIP Lenders hereunder arising prior to the effective date of such modification, amendment, or vacatur of any LP DIP Liens or of the LP DIP Superpriority Claim granted to or for the benefit of the LP DIP Lenders shall be governed in all respects by the original provisions of this Order, and the LP DIP Lenders shall be entitled to all of the rights, remedies, privileges, and benefits, including the LP DIP Liens and the LP DIP Superpriority Claim granted herein, with respect to any such claim. Because the Replacement LP DIP Loans are made in reliance on this Order, the Replacement LP DIP Obligations incurred by the LP DIP Obligors or owed to the LP DIP Lenders prior to the effective date of any stay, modification, or vacatur of this Order shall not, as a result of any subsequent order in the Chapter 11 Cases of any LP DIP Obligor or in any Successor Cases, be subordinated, lose their lien priority or superpriority administrative expense claim status, or be deprived of the benefit of the status of the liens and claims granted to the LP DIP Lenders under this Order.

(b) **Expenses.** The LP DIP Obligors shall pay all expenses incurred by the LP DIP Lenders (including, without limitation, the reasonable and documented fees and disbursements of their counsel, any other local or foreign counsel that they shall retain, and any internal or third-party appraisers, consultants, financial, restructuring, or other advisors and

=

auditors advising any such counsel) in connection with (i) the preparation, execution, delivery, funding, and administration of the Replacement LP DIP Credit Documents, including, without limitation, all due diligence fees and expenses incurred or sustained in connection with the Replacement LP DIP Credit Documents and all expenses of the LP DIP Lenders directly arising from the Motion (including, without limitation, expenses and attorney's fees associated with the preparation and filing of objections and other responsive pleadings relating to the Motion and preparation for, and attendance at, any depositions taken in connection therewith), (ii) the administration of the Replacement LP DIP Credit Documents, or (iii) enforcement of any rights or remedies under this Order or the Replacement LP DIP Credit Documents, in each case whether or not the transactions contemplated hereby are fully consummated (collectively, the "LP DIP Professional Fees"), which shall not exceed ~~\$250,000~~75,000 in the aggregate; provided, however, that, to the extent the LP DIP Professional Fees exceed ~~\$250,000~~75,000 in the aggregate, such excess amounts shall be paid as LP Professional Fees under, and in accordance with, the Final Cash Collateral Order.<sup>4</sup> The LP DIP Lenders, and their advisors and professionals, shall not be required to comply with the U.S. Trustee fee guidelines, but shall provide reasonably detailed statements (redacted, if necessary, for privileged, confidential, or otherwise sensitive information) to the Office of the U.S. Trustee and counsel for the Debtors. Within ten (10) days of presentment of and further statements, if no written objections to the reasonableness of the fees and expenses charged in any such invoice (or portion thereof) is made, the LP DIP Obligors shall promptly pay in cash all such fees and expenses of the LP DIP Lenders and their advisors and professionals, subject to the limitations set forth in this Order. Any objection to the payment of such fees or expenses shall be made only on the basis of

---

<sup>4</sup> Nothing herein shall impact the payment of the LP Professional Fees under, and in accordance with, the Final Cash Collateral Order.



=

“reasonableness,” and shall specify in writing the amount of the contested fees and expenses and the detailed basis for such objection. To the extent an objection only contests a portion of an invoice, the undisputed portion thereof shall be promptly paid. If any such objection to payment of an invoice (or any portion thereof) is not otherwise resolved between the Debtors or the U.S. Trustee and the issuer of the invoice, either party may submit such dispute to the Court for a determination as to the reasonableness of the relevant disputed fees and expenses set forth in the invoice. This Court shall resolve any dispute as to the reasonableness of any fees and expenses. For the avoidance of doubt, and without limiting any of the foregoing or any other provision of this Order, all fees and expenses are, upon entry of this Order and irrespective of any subsequent order approving or denying the [Replacement](#) LP DIP Facility or any other financing pursuant to section 364 of the Bankruptcy Code, fully entitled to all protections of section 364(e) of the Bankruptcy Code and are deemed fully earned, indefeasibly paid, non-refundable, irrevocable, and non-avoidable as of the date of this Order.

(c) **Binding Effect.** The provisions of this Order shall be binding upon and inure to the benefit of the LP DIP Lenders, the Debtors, and their respective successors and assigns (including any trustee or other fiduciary hereinafter appointed as a legal representative of the Debtors or with respect to the property of the estates of the Debtors) whether in the Chapter 11 Cases, in any Successor Cases, or upon dismissal of any such chapter 11 or chapter 7 case.

(d) **No Waiver.** The failure of the LP DIP Lenders to seek relief or otherwise exercise their rights and remedies under this Order or any other [Replacement](#) LP DIP Credit Documents or under applicable law or otherwise, as applicable, shall not constitute a waiver of any of the LP DIP Lenders’ rights hereunder, thereunder, or otherwise. Notwithstanding anything herein, the entry of this Order is without prejudice to, and does not constitute a waiver

=

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

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

(f) **No Marshaling.** The LP DIP Lenders shall not be subject to the equitable doctrine of “marshaling” or any other similar doctrine with respect to any of the LP DIP Collateral.

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

(h) **Credit Bid Rights.** The LP DIP Lenders shall have the right to “credit bid” the [Replacement](#) LP DIP Obligations during any sale of any of the LP DIP Collateral or Prepetition LP Collateral of the LP DIP Obligors, as applicable, including, without limitation, in

=

connection with sales occurring pursuant to Bankruptcy Code section 363 or included as part of any plan subject to confirmation under Bankruptcy Code section 1129.

(i) **Amendment.** No provision of the **Replacement** LP DIP Credit Documents may be amended, modified, supplemented, altered, or waived. **Notwithstanding the foregoing or anything to the contrary in this Order, upon the giving of five (5) days' notice to the Court, the U.S. Trustee, the Prepetition LP Agent, and the Prepetition Inc. Agent, the Final Maturity Date may be extended to June 30, 2014 upon the unanimous written consent of all of the LP DIP Lenders without further order of the Court.**

(j) **Priority of Terms.** To the extent of any conflict between or among (i) **any of** the express terms or provisions of ~~any of~~ the Motion, any ~~other~~ order of this Court (**other than this Order**), or any other agreements, on the one hand, and (ii) the express terms and provisions of this Order, on the other hand, unless such term or provision herein is phrased in terms of "defined in" or "as set forth in" another order of this Court or agreement, the terms and provisions of this Order shall govern.

(k) **Survival of Order.** The provisions of this Order and any actions taken pursuant hereto shall survive entry of any order which may be entered (i) confirming any Plan in the Chapter 11 Cases of any LP DIP Obligor, (ii) converting any of the Chapter 11 Cases of any LP DIP Obligor to a case under chapter 7 of the Bankruptcy Code, (iii) to the extent authorized by applicable law, dismissing any of the Chapter 11 Cases of any LP DIP Obligor, (iv) withdrawing of the reference of any of the Chapter 11 Cases of any LP DIP Obligor from this Court, or (v) providing for abstention from handling or retaining of jurisdiction of any of the Chapter 11 Cases of any LP DIP Obligor in this Court. The terms and provisions of this Order, including the LP DIP Liens and LP DIP Superpriority Claim granted pursuant to this Order, and

=

any protections granted to or for the benefit of the LP DIP Lenders, shall continue in full force and effect notwithstanding the entry of such order, and such LP DIP Liens and LP DIP Superpriority Claims shall maintain their priority as provided by this Order and the other Replacement LP DIP Credit Documents until all of the Replacement LP DIP Obligations have been indefeasibly paid and satisfied in full in cash and discharged.

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

(m) **No Waivers or Modification of Order.** The Debtors irrevocably waive any right to seek any modification or extension of this Order.

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

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

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

Dated: ~~February~~April \_\_, 2014  
New York, New York

---

HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE

## ANNEX A

### LP DIP FACILITY TERMS AND CONDITIONS

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

#### 1. Terms of Borrowing.

(a) Subject to the terms and conditions of this Order, the LP DIP Lenders agree, severally and not jointly, to make Replacement LP DIP Loans to LP DIP Borrower upon the satisfaction (or the concurrent satisfaction with the making of such Replacement LP DIP Loans) of the conditions precedent set forth in paragraph 2(~~ac~~) of this Order, in an aggregate principal amount not to exceed its Relevant Percentage of ~~\$33,000,000~~73,957,501; provided, that no LP DIP Lender shall be responsible for the failure of any other LP DIP Lender to make any Replacement LP DIP Loan required to be made by such other LP DIP Lender).

(b) Each LP DIP Lender shall make each Replacement LP DIP Loan to be made by it hereunder by wire transfer of immediately available funds to an account directed by LP DIP Borrower in writing; ~~provided, that~~ (i) each LP DIP Lender shall satisfy its obligation to make such Replacement LP DIP Loan by funding in cash an amount equal to its Relevant Percentage of the Replacement LP DIP Loans minus the amount of LP DIP Obligations (as defined in the Initial LP DIP Order) due and owing to it pursuant to the Initial LP DIP Order and the LP DIP Credit Documents (as defined in the Initial LP DIP Order) and (ii) the amount of such LP DIP Obligations shall be deemed exchanged for, converted to, and thereafter constitute, Replacement LP DIP Loans hereunder.

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

#### 2. Interest on Replacement LP DIP Loans.

(a) Subject to the provisions of Section 2(b) below, the Replacement LP DIP Loans shall bear interest at a rate *per annum* equal to 15.0%, payable in kind (the “PIK Interest”), by adding such accrued and unpaid interest to the unpaid principal amount of the Replacement LP DIP Loans on a monthly basis (whereupon from and after such date such additional amounts shall also accrue interest pursuant to this Section 2). All such PIK Interest so added shall be treated as principal of the Replacement LP DIP Loans for all purposes of this Order. The obligation of LP DIP Borrower to pay all such PIK Interest so added shall be automatically evidenced by this Order, and, if applicable, any applicable Replacement Notes.

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

the rate otherwise applicable to the Replacement LP DIP Loans as provided in Section 2(a).

(c) Interest Payment Dates. Accrued interest on each Replacement LP DIP Loan shall be payable on the Final Maturity Date for such Replacement LP DIP Loan; provided, that (i) interest accrued pursuant to Section 2(b) shall be payable on demand and (ii) in the event of any repayment or prepayment of any Replacement LP DIP Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment.

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

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

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

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

### 3. Final Maturity Date.

Following the Final Maturity Date, if the Replacement LP DIP Obligations have not been indefeasibly paid in full in cash, the full principal amount of the Replacement LP DIP Loans, together with accrued interest thereon and any unpaid accrued fees and all other Replacement LP DIP Obligations of LP DIP Obligors accrued hereunder and under any other Replacement LP DIP Credit Document, shall become forthwith due and payable, without presentment,

demand, protest, or any other notice of any kind, all of which are hereby expressly waived by the LP DIP Obligors, anything contained herein or in any other Replacement LP DIP Credit Document to the contrary notwithstanding. In addition, the automatic stay provided in section 362 of the Bankruptcy Code in connection with the Replacement LP DIP Facility shall be deemed automatically vacated without further action or order of the Court, and the LP DIP Lenders, shall be entitled, in their sole discretion, to enforce and exercise all of their respective rights and remedies under this Order and the other Replacement LP DIP Credit Documents (which, for the avoidance of doubt, shall be consistent with and incorporate, *mutatis mutandis* to make applicable to the LP DIP Lenders, the remedies available to the Prepetition LP Secured Parties under the Prepetition LP Credit Documents).

**4. Application of Proceeds.**

The proceeds received by the LP DIP Lenders in respect of any sale of, collection from, or other realization upon all or any part of the LP DIP Collateral pursuant to the exercise by such LP DIP Lenders of their remedies in accordance with this Order shall be applied, in full or in part, promptly by such LP DIP Lenders as follows:

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

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

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

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

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

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

**5. Amendments.**

The Annexes to this Order and any other **Replacement** LP DIP Credit Documents (including this Order) may not be amended, modified, supplemented, altered, or waived, **except as otherwise provided for in this Order.**

**6. Assignments.**

No LP DIP Lender may assign or otherwise transfer any of its rights or obligations hereunder (including, without limitation, by granting participations in **Replacement** LP DIP Loans other than as set forth below). Any attempted assignment or participation in violation of the preceding sentence shall be null and void. Notwithstanding the foregoing, any LP DIP Lender may at any time, without the consent of, or notice to, LP DIP Borrower or any other LP DIP Lender, sell participations to any person (other than a natural person, the LP DIP Borrower, or any of its Affiliates, or any Disqualified Company **(as such term is defined in the Prepetition LP Credit Agreement)** or an Affiliate **(as such term is defined in the Prepetition LP Credit Agreement)** thereof that is not a financial institution, private equity firm, bona fide debt fund, or hedge fund) (each, a “Participant”) in all or a portion of such LP DIP Lender’s rights and/or obligations under this Order (including all or a portion of the **Replacement** LP DIP Loans owing to it); provided, that (a) such LP DIP Lender’s obligations under this Order shall remain unchanged, (b) such LP DIP Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (c) the LP DIP Borrower and the other LP DIP Lenders shall continue to deal solely and directly with such LP DIP Lender in connection with such LP DIP Lender’s rights and obligations under this Order. Any agreement or instrument pursuant to which a **Replacement** LP Lender sells such a participation shall provide that the relevant participant shall not be permitted to sell sub-participations to any natural person, the LP DIP Borrower or any of its Affiliates or any Disqualified Company or an Affiliate thereof that is not a financial institution, private equity firm, bona fide debt fund, or hedge fund.

**7. Integration.**

This Order, the other **Replacement** LP DIP Credit Documents, and the Final Cash Collateral Order constitute the entire contract among the LP DIP Obligors and the LP DIP Lenders relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof.

**8. Governing Law; Jurisdiction; Venue.**

(a) **Governing Law.** This Order and each other **Replacement** LP DIP Credit Document, and the transactions contemplated hereby and thereby, and all disputes between the LP DIP Obligors and the LP DIP Lenders under or relating to this Order or any other **Replacement** LP DIP Credit Document or the facts or circumstances leading to its or their execution, whether in contract, tort or otherwise, shall be construed in



accordance with, and governed by, the laws (including statutes of limitation) of the State of New York (and, to the extent applicable, the Bankruptcy Code).

(b) Submission to Jurisdiction. Each LP DIP Obligor hereby irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the Court, or to the extent that the Court does not have or does not exercise jurisdiction, the Supreme Court of the State of New York sitting in New York County and the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Replacement LP DIP Credit Document, or for recognition or enforcement of any judgment, and each of the LP DIP Obligors and LP DIP Lenders hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such Federal court. Each of the LP DIP Obligors and LP DIP Lenders agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Order or any other Replacement LP DIP Credit Document shall affect any right that any LP DIP Lender may otherwise have to bring any action or proceeding relating to this Order or any other Replacement LP DIP Credit Document against any LP DIP Obligor or its properties in the courts of any jurisdiction.

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

**9. Waiver of Jury Trial.**

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

**10. Interest Rate Limitation.**

Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Replacement LP DIP Loan, together with all fees, charges, and other amounts which are treated

as interest on such Replacement LP DIP Loan under applicable requirements of law (collectively, the “Charges”), shall exceed the maximum lawful rate (the “Maximum Rate”) which may be contracted for, charged, taken, received, or reserved by the LP DIP Lender holding such Replacement LP DIP Loan in accordance with applicable requirements of law, the rate of interest payable in respect of such Replacement LP DIP Loan hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate, and, to the extent lawful, the interest and Charges that would have been payable in respect of such Replacement LP DIP Loan but were not payable as a result of the operation of this Section shall be cumulated and the interest and Charges payable to such LP DIP Lender in respect of other Replacement LP DIP Loans or periods shall be increased (but not above the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System of the United States arranged by federal funds brokers to the date of repayment, shall have been received by such LP DIP Lender.

#### **11. Currency Due.**

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

#### **12. Additional Defined Terms.**

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

~~“Notes” shall mean any promissory note(s) evidencing the LP DIP Loans in the form set forth in Annex C hereto.~~

“Prepetition LP Collateral” shall mean (a) substantially all of the assets of LightSquared LP and the Prepetition LP Subsidiary Guarantors, (b) the equity interests of LightSquared LP and the Prepetition LP Parent Guarantors (except LightSquared Inc.), (c) certain equity interests owned by the Pledgors (as defined in the applicable Prepetition LP Security Agreement (as defined herein)), (d) the Intercompany Notes (as defined in the Prepetition LP Security Agreements) and (e) the rights of LightSquared Inc. under and arising out of the Inmarsat Cooperation Agreement, by and between LightSquared LP, SkyTerra (Canada) Inc., LightSquared Inc., and Inmarsat Global Limited. For the avoidance of doubt, the Prepetition LP Collateral includes any proceeds, substitutions or replacements of any of the forgoing (unless such proceeds, substitutions or replacements would constitute Excluded Property (as defined in Prepetition LP Credit Documents)). The Prepetition LP Collateral does not include the following: (a) any permit or license issued by a Governmental Authority (as defined in the Prepetition LP Credit Agreement) or other agreement to the extent and for so long as the terms thereof validly prohibit the creation by the pledgor thereof of a security interest in such permit, license, or other agreement; (b) property subject to any Purchase Money Obligation, Vendor Financing Indebtedness, or Capital Lease Obligations (in each case, as such term is defined in the Prepetition LP Credit Agreement) if the contract or other agreement in which such lien is granted validly prohibits the creation of any other lien on such property; (c) the SkyTerra-2 satellite, while title remains with BSSI, and those ground segment assets related to the SkyTerra-2 satellite, while title remains with BSSI; (d) any intent-to-use trademark application to the extent and for so long as a security interest therein would result in the loss by the pledgor thereof of any material rights therein; (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) equity interests in (i) excess of 66% in non-U. S. subsidiaries (other than the Canadian Subsidiaries (as defined in the Prepetition LP Credit Agreement)) held by a US subsidiary, (ii) LightSquared Network LLC, and (iii) any joint venture or similar entity to the extent and for so long as the terms of such investment restrict such security interest; and (g) any consumer goods subject to the Canadian Security Agreement (as defined in the Prepetition LP Credit Agreement).

“Relevant Percentage” shall mean, as to any LP DIP Lender, the percentage set forth opposite such LP DIP Lender’s name in the table set forth in Schedule I to this Annex A.

“Replacement Notes” shall mean any promissory note(s) evidencing the Replacement LP DIP Loans in the form set forth in Annex C hereto.

**SCHEDULE I TO ANNEX A**

**Replacement LP DIP Loan Allocation Schedule**

<u>Name of LP DIP Lender:</u>	<u>Relevant Percentage:</u>	<u>Amount Principal Outstanding Under Initial LP DIP Facility:</u>	<u>Accrued Interest Under Initial LP DIP Facility as of 4/15/14:</u>	<u>Replacement LP DIP Loan Amount:</u>	<u>Relevant Percentage Net Funding Amount:</u>
SP Special Opportunities LLC	<u>53.0%</u>	\$17,505,590	<u>\$507,928</u>	<u>\$39,232,414</u>	<u>53.0%</u> <u>\$21,218,897</u>
Capital Research and Management Company, on behalf of American High-Income Trust	<u>20.8%</u>	\$6,866,469	<u>\$199,232</u>	<u>\$15,388,694</u>	<u>20.8%</u> <u>\$8,322,993</u>
Fortress Credit Corp., on behalf of its affiliates' managed funds and/or accounts	<u>10.1%</u>	\$3,346,042	<u>\$97,086</u>	<u>\$7,498,937</u>	<u>10.1%</u> <u>\$4,055,809</u>
Cyrus Capital Partners, L.P.	<u>8.5%</u>	\$2,788,548	<u>\$80,910</u>	<u>\$6,249,516</u>	<u>8.5%</u> <u>\$3,380,058</u>
SOLA LTD	<u>3.6%</u>	\$1,181,823	<u>\$34,291</u>	<u>\$2,648,627</u>	<u>3.6%</u> <u>\$1,432,513</u>
ULTRA MASTER LTD	<u>1.0%</u>	\$315,611	<u>\$9,158</u>	<u>\$707,328</u>	<u>1.0%</u> <u>\$382,559</u>
Solus Senior High Income Fund LP	<u>0.2%</u>	\$71,084	<u>\$2,063</u>	<u>\$159,309</u>	<u>0.2%</u> <u>\$86,162</u>
Intermarket Corporation, on behalf of Fernwood Associates LLC	<u>0.6%</u>	\$203,250	<u>\$5,897</u>	<u>\$455,511</u>	<u>0.6%</u> <u>\$246,364</u>
Intermarket Corporation, on behalf of Fernwood Restructurings Ltd.	<u>0.6%</u>	\$203,250	<u>\$5,897</u>	<u>\$455,511</u>	<u>0.6%</u> <u>\$246,364</u>

Name of LP DIP_ Lender:	<u>Relevant Percentage:</u>	<u>Amount</u> <u>Outstanding Under</u> <u>Initial LP DIP</u> <u>Facility:</u>	<u>Accrued</u> <u>Interest</u> <u>Under</u> <u>Initial</u> <u>LP DIP</u> <u>Facility</u> <u>as of</u> <u>4/15/14:</u>	<u>Replace</u> <u>ment</u> <u>LP DIP</u> <u>Loan</u> <u>Amount</u> <u>:</u>	<u>Relevant</u> <u>Percentage</u> <u>Net</u> <u>Funding Amount:</u>
Aurelius Capital Master, Ltd.	<u>0.8%</u>	\$267,094	<u>\$7,750</u>	<u>\$598,59</u> <u>5</u>	<del>0.8%</del> <u>\$323,751</u>
ACP Master, Ltd.	<u>0.6%</u>	\$185,139	<u>\$5,372</u>	<u>\$414,92</u> <u>2</u>	<del>0.6%</del> <u>\$224,411</u>
Aurelius Convergence Master, Ltd.	<u>0.2%</u>	\$66,099	<u>\$1,918</u>	<u>\$148,13</u> <u>6</u>	<del>0.2%</del> <u>\$80,120</u>
<b>Total</b>	<u>100.0</u> <u>%</u>	<b>\$33,000,000</b>	<u>\$957,501</u>	<u>\$73,957,</u> <u>501</u>	<del>100.0%</del> <u>\$40,000,000</u>

**ANNEX B**

**REPLACEMENT LP DIP BUDGET**

**ANNEX C**

**FORM OF TERM NOTE**

\$ \_\_\_\_\_

New York, New York  
\_\_\_\_\_, 2014

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

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

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

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

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

<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the **Replacement LP DIP Order**.

**LIGHTSQUARED LP**

By: \_\_\_\_\_  
Name:  
Title:



**ANNEX D**

**FORM OF LP DIP ~~OBLIGOR~~OBLIGOR GUARANTY**

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

**W I T N E S S E T H :**

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

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

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

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

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

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

pay in full in cash when due (whether at stated maturity, by acceleration, or otherwise) any of the Replacement LP DIP Obligations, the LP DIP Guarantors will promptly pay the same in cash, without any demand or notice whatsoever, and that in the case of any extension of time of payment or renewal of any of the Replacement LP DIP Obligations, the same will be promptly paid in full in cash when due (whether at extended maturity, by acceleration, or otherwise) in accordance with the terms of such extension or renewal.

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

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

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

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

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

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

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

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

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

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

5. [REMEDIES](#). After the Final Maturity Date, the LP DIP Guarantors jointly and severally agree that, as between the LP DIP Guarantors and the LP DIP Lenders, the obligations of LP DIP Borrower under the [Replacement](#) LP DIP Order and the [Replacement](#) Notes, ~~if any~~, shall be due and payable as provided in the [Replacement](#) LP DIP Order for purposes of [Section 1](#), notwithstanding any stay, injunction, or other

prohibition preventing such obligations from becoming automatically due and payable as against LP DIP Borrower and that such obligations (whether or not due and payable by LP DIP Borrower) shall become forthwith due and payable by the LP DIP Guarantors for purposes of Section 1.

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

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

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

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

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

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

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

\* \* \*

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

Address:

[\_\_\_\_\_]

[\_\_\_\_\_],

[\_\_\_\_\_]

as a LP DIP Guarantor

Tel:[\_\_\_\_\_]

Fax:[\_\_\_\_\_]

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

Name:

Title:

Accepted and Agreed to:

[\_\_\_\_\_],

as LP DIP Lender

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

Name:

Title:

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

Name:

Title:]

**TAB B**

Exhibit "B" to the Affidavit of Elizabeth Creary,  
sworn before me this 7<sup>th</sup> day of April, 2014.



---

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



Presentment Date and Time: April 9, 2014 at 4:30 p.m. (prevailing Eastern time)

Objection Deadline: April 9, 2014 at 4:00 p.m. (prevailing Eastern time)

Hearing Date (Only if Objection Filed): April 10, 2014 at 1:00 p.m. (prevailing Eastern time)

Matthew S. Barr  
Karen Gartenberg  
MILBANK, TWEED, HADLEY & M<sup>c</sup>CLOY LLP  
One Chase Manhattan Plaza  
New York, NY 10005-1413  
(212) 530-5000

*Counsel to Debtors and Debtors in Possession*

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

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

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

**PLEASE TAKE NOTICE** that the Prepetition LP Lenders (as defined in the Cash Collateral Order (as defined below)) have consented to the continued use by LightSquared LP and certain of its affiliates, as debtors and debtors in possession (collectively, “LightSquared”) in the above-captioned chapter 11 cases, of the Prepetition LP Lenders’ Cash Collateral (as defined in the Cash Collateral Order) and have consented to amend the *Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate*

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

*Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 544] (as amended by the *Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 1118] and the *Second Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 1292], the “Cash Collateral Order”) to permit LightSquared to continue to use the Prepetition LP Lenders’ Cash Collateral through and including June 15, 2014 on the terms set forth in the *Third Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay*, attached hereto as Exhibit A (the “Cash Collateral Extension Order”).

**PLEASE TAKE FURTHER NOTICE** that LightSquared will present the Cash Collateral Extension Order to the Honorable Shelley C. Chapman, Judge of the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”), for signature on **April 9, 2014 at 4:30 p.m. (prevailing Eastern time)**.

**PLEASE TAKE FURTHER NOTICE** that responses or objections, if any, to the Cash Collateral Extension Order must be made in writing, conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York, set forth the basis for the objection and the specific grounds therefor, and be filed with the Bankruptcy Court (a) by registered users of the Bankruptcy Court’s case filing system, electronically in accordance with General Order M-399 (which can be found at <http://nysb.uscourts.gov>) and (b) by all other parties in interest, in text-searchable portable document format (PDF) (with a hard copy delivered directly to Chambers (as defined below)), in

accordance with the customary practices of the Bankruptcy Court and General Order M-399 and shall be served in accordance with General Order M-399 upon each of the following: (i) the chambers of the Honorable Shelley C. Chapman (“Chambers”), One Bowling Green, New York, New York 10004, 6th Floor, (ii) LightSquared Inc., 10802 Parkridge Boulevard, Reston, VA 20191, Attn: Marc R. Montagner and Curtis Lu, Esq., (iii) counsel to LightSquared, Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, NY 10005-1413, Attn: Matthew S. Barr, Esq. and Karen Gartenberg, Esq., (iv) counsel to the special committee of the boards of directors (the “Special Committee”) for LightSquared Inc. and LightSquared GP Inc., Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10021, Attn: James H.M. Sprayregen, Esq., Paul M. Basta, Esq., and Joshua A. Sussberg, Esq., (v) the Office of the United States Trustee for the Southern District of New York, 201 Varick Street, Suite 1006, New York, NY 10014, Attn: Susan D. Golden, Esq., (vi) counsel to U.S. Bank, as administrative agent under the Prepetition Inc. Credit Agreement and the DIP Agreement, and MAST Capital Management, LLC, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036, Attn: Philip C. Dublin, Esq., Meredith A. Lahaie, Esq., and Kenneth A. Davis, Esq., (vii) counsel to UBS AG, Stamford Branch, as former administrative agent under the Prepetition Inc. Credit Agreement and as administrative agent under the Prepetition LP Credit Agreement, Latham & Watkins LLP, 885 Third Avenue, New York, NY 10022, Attn: Mark A. Broude, Esq., (viii) counsel to the Ad Hoc LP Secured Group, White & Case LLP, 1155 Avenue of the Americas, New York, NY 10036, Attn: Thomas E Lauria, Esq. and Andrew C. Ambruso, Esq., (ix) counsel to SP Special Opportunities, LLC, Willkie Farr & Gallagher LLP, Attn: Rachel C. Strickland, Esq. and James C. Dugan, Esq., and (x) counsel to Harbinger Capital Partners, LLC, Kasowitz, Benson, Torres & Friedman LLP, 1633 Broadway, New York, NY 10019, Attn: David

M. Friedman, Esq. and Adam L. Shiff, Esq., so as to be actually received **no later than April 9, 2014 at 4:00 p.m. (prevailing Eastern time)** (the “Objection Deadline”). Only those responses or objections that are timely filed, served, and received will be considered at the Hearing.

**PLEASE TAKE FURTHER NOTICE** that if a written objection to the Cash Collateral Extension Order is not received by the Objection Deadline, the Bankruptcy Court may deem any opposition waived and enter the Cash Collateral Extension Order without further notice or hearing.

**PLEASE TAKE FURTHER NOTICE** that if a written objection is received by the Objection Deadline, a hearing will be held to consider the Cash Collateral Extension Order, along with any written objection timely received, on **April 10, 2014 at 1:00 p.m. (prevailing Eastern time)** at the United States Bankruptcy Court for the Southern District of New York, Honorable Shelley C. Chapman, United States Bankruptcy Judge, One Bowling Green, New York, New York 10004, Courtroom 623. The moving and objecting parties are required to attend the hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**PLEASE TAKE FURTHER NOTICE** that a copy of the Cash Collateral

Extension Order may be obtained at no charge at <http://www.kccllc.net/LightSquared> or for a fee via PACER at <http://www.nysb.uscourts.gov>.

New York, New York  
Dated: April 2, 2014

Respectfully submitted,

/s/ Matthew S. Barr

Matthew S. Barr

Karen Gartenberg

MILBANK, TWEED, HADLEY & McCLOY LLP

One Chase Manhattan Plaza

New York, NY 10005-1413

(212) 530-5000

*Counsel to Debtors and Debtors in Possession*

**Exhibit A**

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

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

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

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

- (a) authorizing the use of Cash Collateral (within the meaning of section 363(a) of the Bankruptcy Code) of the Prepetition Secured Parties and providing adequate protection to the Prepetition Secured Parties for any diminution in value of their

---

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

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

interests in the Prepetition Collateral, pursuant to sections 361, 362, and 363 of the Bankruptcy Code;

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

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



substantially similar terms as currently set forth in the Initial Cash Collateral Order in connection with that certain *Order Pursuant to 11 U.S.C. § 1121(d) Further Extending LightSquared's Exclusive Periods To File a Plan of Reorganization and Solicit Acceptances Thereof* [Docket No. 522] (the "Second Exclusivity Extension Order"); and the Court having entered the *Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 544] (as amended or modified, the "Amended Cash Collateral Order"); and the Prepetition LP Agent, on behalf of the Prepetition LP Lenders, and the Ad Hoc LP Secured Group having agreed to permit LightSquared to amend the Amended Cash Collateral Order to, among other things, continue to use the Prepetition LP Lenders' Cash Collateral through and including January 31, 2014 on substantially similar terms as currently set forth in the Amended Cash Collateral Order; and the Court having entered the *Order Amending Amended Agreed Final Order (A) Authorizing Debtors to Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 1118] (the "First Cash Collateral Extension Order"); and the Court having considered the Debtors' subsequent motion, submitted at the direction, and with the support, of the special committee of the boards of directors for LightSquared Inc. and LightSquared GP Inc., for an order (a) authorizing the LP DIP Obligors to obtain superpriority senior secured priming postpetition financing, (b) granting superpriority liens and providing superpriority administrative expense status, (c) granting adequate protection, and (d) modifying automatic stay [Docket No. 1237] (the "LP DIP Facility Motion") seeking, *inter alia*, entry of an order further amending the Amended Cash Collateral Order to, among other things, permit the LP Debtors to continue to use the Prepetition LP Lenders' Cash Collateral through and including April 15, 2014 on substantially similar terms as currently set

forth in the Amended Cash Collateral Order; and all objections, if any, to the relief requested in the LP DIP Facility Motion having been withdrawn, resolved, or overruled by the Court; and the Court having entered (a) that certain *Final Order (A) Authorizing LP DIP Obligors To Obtain Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1291] (the “LP DIP Order”) and (b) that certain *Second Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 1292] (the “Second Cash Collateral Extension Order” and, together with the First Cash Collateral Extension Order, the “Cash Collateral Extension Orders”); and the Prepetition LP Agent, on behalf of the Prepetition LP Lenders, and the Ad Hoc LP Secured Group having agreed to permit LightSquared to amend the Amended Cash Collateral Order to, among other things, continue to use the Prepetition LP Lenders’ Cash Collateral through and including June 15, 2014 on substantially similar terms as currently set forth in the Amended Cash Collateral Order, as modified by the Cash Collateral Extension Orders (this “Order”); and the Court having entered on a date even herewith that *Final Order (A) Authorizing LP DIP Obligors To Obtain Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* (the “Replacement LP DIP Order”); and it appearing to the Court that entry of the Order is fair and reasonable and in the best interests of the Debtors, their estates, and their stakeholders, and is essential for the continued management of the Debtors’ businesses; and after due deliberation and consideration, and for good and sufficient cause appearing therefor; it is hereby **ORDERED** that:

1. All of the terms of the Amended Cash Collateral Order shall remain in full force and effect pursuant to the terms thereof, except to the extent modified or further modified by this Order. For the avoidance of doubt, paragraph 25 of the Amended Cash Collateral Order shall read as follows:

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

2. The last sentence of paragraph F(ii) of the Amended Cash Collateral Order is hereby amended in its entirety as follows: “Notwithstanding anything to the contrary in this Amended Final Order, capital expenditure lines totaling \$6.080 million may be used on an aggregate basis at any time until June 15, 2014.”

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

- (a) The first sentence of section (c) of paragraph 7 is hereby amended by inserting the words, “(the “LP Adequate Protection Payments”)” after “\$6,250,000”; and
- (b) Section (d) of paragraph 7 is hereby amended by replacing the words “April 15, 2014” with the words “June 15, 2014.”

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

- (a) The first sentence of section (f) of paragraph 14 is hereby amended by
  - (a) inserting the word “*Final*” between the words “the” and “*Order*” and
  - (b) inserting the words “the *Final Order (A) Authorizing LP DIP Obligors To Obtain Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and*

*(D) Modifying Automatic Stay* (the “Replacement LP DIP Order”),” after the words “(the “LP DIP Order”),”;

- (b) Section (h) of paragraph 14 is hereby amended by inserting the words “and the Replacement LP DIP Order” after the words “LP DIP Order”;
- (c) The first sentence of section (k) of paragraph 14 is hereby amended by inserting “and the *Notice of Presentment of Final Order (A) Authorizing LP DIP Obligors To Obtain Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* (the “Replacement LP DIP Facility Notice”)” following the words “Other than the LP DIP Facility Motion (as defined in the LP DIP Order)”;
- (d) The first sentence of section (l) of paragraph 14 is hereby amended by inserting “and the Replacement LP DIP Facility Notice” after the words “Other than the LP DIP Facility Motion”; and
- (e) Section (n) of paragraph 14 is hereby amended by deleting the words “April 15, 2014.” and inserting the words “June 15, 2014.”

5. The Budget attached as Schedule 1 to the Second Cash Collateral Extension Order is hereby replaced in its entirety by the Budget attached hereto as Schedule 1. Notwithstanding anything to the contrary in the Amended Cash Collateral Order, the First Cash Collateral Extension Order, or the Second Cash Collateral Extension Order, failure to comply with the Budget shall not constitute an LP Termination Event.

6. The LP Obligors shall pay to the Prepetition LP Agent, for the benefit of the Prepetition LP Lenders, (a) the April 2014 LP Adequate Protection Payment no later than two (2) business days after the funding of the Replacement LP DIP Facility (as defined in the Replacement LP DIP Order (as defined below)) and (b) the May 2014 LP Adequate Protection Payment and June 2014 LP Adequate Protection Payment in due course pursuant to paragraph 7(c) of the Amended Cash Collateral Order.

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

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

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

Dated: \_\_\_\_\_, 2014  
New York, New York

---

HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE

**SCHEDULE 1**

**BUDGET**

Dollars in thousands

Month		Apr-14	May-14	Jun-14
<b>LP Group Beginning Cash Balance (excluding Cash at TMI)</b>		<b>10,701</b>	<b>35,140</b>	<b>18,396</b>
<b>Sources</b>				
	Satellite Revenue	2,224	1,414	1,331
	Interest Income	2	4	4
	Equity Financing	-	-	-
	Net Debt Financing <sup>2</sup>	40,000	-	-
	Other	-	-	-
	<b>Total Sources</b>	<b>42,226</b>	<b>1,418</b>	<b>1,336</b>
<b>Uses (OPEX)</b>	In-Orbit / Launch Insurance	-	-	-
	ISAT Coop Agmt	5,000	-	-
	L-Band network infrastructure	12	12	12
	ERP	22	89	22
	Spectrum Management	-	-	-
	Staffing Related (entire company)	1,754	1,744	1,774
	Legal / Regulatory / Lobbying / International	1,553	888	949
	Facilities/Telecom	658	658	658
	G&A	2,907	336	336
	Travel Expenses (entire company)	50	50	50
	Other Items	1,371	1,106	768
	<b>Subtotal - USES (OPEX)</b>	<b>13,326</b>	<b>4,881</b>	<b>4,569</b>
<b>Uses (CAPEX)</b>	Boeing Payments	-	2,025	3,425
	Qualcomm	-	380	-
	Alcatel Lucent S-BTS	-	-	-
	<u>Current Network Maintenance/Capex</u>	-	250	-
	<b>Subtotal - USES (CAPEX)</b>	<b>-</b>	<b>2,655</b>	<b>3,425</b>
<b>Debt Service</b>	Cash Interest			
<b>Restructuring Related</b>	Restructuring Prof exclud W&C / Blackstone	9,668	4,375	4,693
	LP Adequate Protection Payments	6,250	6,250	6,250
	<b>Total Uses</b>	<b>29,245</b>	<b>18,162</b>	<b>18,937</b>
	<b>Net Uses (Total Sources - Total Uses)</b>	<b>12,981</b>	<b>(16,744)</b>	<b>(17,601)</b>
<b>LP Group Ending Cash Balance (excluding Cash at TMI)</b>		<b>23,682</b>	<b>18,396</b>	<b>795</b>
	TMI Beginning Cash Balance	11,458	-	-
	<u>Use of TMI Cash</u>	<u>(11,458)</u>	<u>-</u>	<u>-</u>
	<b>TMI Ending Cash Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LP Group Ending Cash Balance including Cash at TMI</b>		<b>35,140</b>	<b>18,396</b>	<b>795</b>
<b>Inc Group Ending Cash Balance</b>		<b>17,247</b>	<b>6,377</b>	<b>2,727</b>
<b>Consolidated Ending Cash Balance including Cash at TMI</b>		<b>52,388</b>	<b>24,774</b>	<b>3,523</b>

<sup>1</sup> Projected payments

<sup>2</sup> Does not include payment of outstanding DIP financing

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF ELIZABETH CREARY  
(Sworn April 7, 2014)**

DENTONS CANADA LLP  
77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto, Ontario  
M5K 0A1

**John Salmas / C. Blake Moran**

LSUC No.: 42336B /62296M

Tel: 416 863-4737 / 863-4495

Fax: (416) 863-4592

Email: john.salmas@dentons.com

blake.moran@dentons.com

*Lawyers for the Chapter 11 Debtors.*



# TAB 3

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.  
1985, c. C 36, AS AMENDED  
APPLICATION OF LIGHTSQUARED LP  
UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C 36, AS AMENDED  
AND IN THE MATTER OF CERTAIN PROCEEDINGS TAKEN IN THE UNITED  
STATES BANKRUPTCY COURT WITH RESPECT TO LIGHTSQUARED INC.,  
LIGHTSQUARED INVESTORS HOLDINGS INC., ONE DOT FOUR CORP., ONE DOT  
SIX CORP., SKYTERRA ROLLUP LLC, SKYTERRA ROLLUP SUB LLC, SKYTERRA  
INVESTORS LLC, TMI COMMUNICATIONS DELAWARE, LIMITED  
PARTNERSHIP, LIGHTSQUARED GP INC., LIGHTSQUARED LP, ATC  
TECHNOLOGIES, LLC, LIGHTSQUARED CORP., LIGHTSQUARED FINANCE CO.,  
LIGHTSQUARED NETWORK LLC, LIGHTSQUARED INC. OF VIRGINIA,  
LIGHTSQUARED SUBSIDIARY LLC, LIGHTSQUARED BERMUDA LTD.,  
SKYTERRA HOLDINGS (CANADA) INC., SKYTERRA (CANADA) INC. AND ONE  
DOT SIX TVCC CORP. (COLLECTIVELY, THE "CHAPTER 11 DEBTORS")**

**FOURTEENTH REPORT OF THE INFORMATION OFFICER**

**ALVAREZ & MARSAL CANADA INC.**

**February 25, 2014**

**Table of Contents**

INTRODUCTION .....1

PURPOSE OF THIS REPORT.....8

THIRD AMENDED DISCLOSURE STATEMENT ORDER .....10

CERTAIN UPCOMING U.S. BANKRUPTCY COURT HEARINGS..... 13

ACTIVITIES OF THE INFORMATION OFFICER .....15

RECOMMENDATION .....16

## INTRODUCTION

1. On May 14, 2012 (the “**Petition Date**”), LightSquared LP (“**LSLP**” or the “**Applicant**”), LightSquared Inc. and various of their affiliates (collectively, “**LightSquared**” or the “**Chapter 11 Debtors**”), commenced voluntary reorganization cases (the “**Chapter 11 Cases**”) in the United States Bankruptcy Court for the Southern District of New York (the “**U.S. Bankruptcy Court**”) by each filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Bankruptcy Code**”).

2. On the Petition Date, the Chapter 11 Debtors filed various motions for interim and/or final orders (the “**First Day Motions**”) in the Chapter 11 Cases to permit the Chapter 11 Debtors to continue to operate their businesses in the ordinary course. Also, on the Petition Date, the Applicant, as the proposed Foreign Representative, commenced these proceedings (the “**CCAA Recognition Proceedings**”), by notice of application returnable before this Honourable Court (the “**Canadian Court**”) pursuant to Part IV of the *Companies’ Creditors Arrangement Act* (the “**CCAA**”).

3. On May 15, 2012, the Honourable Justice Morawetz granted an order in these proceedings providing certain interim relief to the Chapter 11 Debtors (the “**Interim Initial Order**”), including a stay of proceedings in respect of the Chapter 11 Debtors, the property and business of the Chapter 11 Debtors and the directors and officers of the Chapter 11 Debtors.

4. On May 15, 2012 and May 16, 2012, the U.S. Bankruptcy Court entered various “first day” orders, including an interim order authorizing LSLP to act as the foreign representative on behalf of the Chapter 11 Debtors’ estates (the “**Foreign Representative**”).

5. On May 18, 2012, the Honourable Justice Morawetz granted an initial recognition order in these proceedings (the “**Initial Recognition Order**”), which among other things: (i)

recognized LSLP as the “foreign representative” of the Chapter 11 Debtors; (ii) declared the Chapter 11 Cases to be a “foreign main proceeding” pursuant to Part IV of the CCAA; and (iii) stayed all proceedings against the Chapter 11 Debtors.

6. On May 18, 2012, the Honourable Justice Morawetz also granted a supplemental order in these proceedings (the “**Supplemental Order**”), which among other things: (i) appointed Alvarez & Marsal Canada Inc. (“**A&M Canada**”) as Information Officer (the “**Information Officer**”) in these proceedings; (ii) stayed all claims and proceedings in respect of the Chapter 11 Debtors, the property and business of the Chapter 11 Debtors and the directors and officers of the Chapter 11 Debtors; (iii) granted a super-priority charge over the Chapter 11 Debtors’ property, in favour of the Information Officer and its counsel, as security for their professional fees and disbursements incurred in respect of these proceedings; and (iv) recognized and gave full force and effect in Canada to certain orders entered by the U.S. Bankruptcy Court including the following:

- a. Order Directing Joint Administration of Related Chapter 11 Cases;
- b. Interim Order Authorizing LightSquared LP To Act as Foreign Representative Pursuant to 11 U.S.C. § 1505; and
- c. Interim Order (A) Authorizing Debtors To (I) Continue Using Existing Cash Management Systems, Bank Accounts and Business Forms and (II) Continue Intercompany Transactions, (B) Providing Postpetition Intercompany Claims Administrative Expense Priority, (C) Authorizing Debtors’ Banks To Honor All Related Payment Requests, (D) Waiving Investment Guidelines of Sections 345(b) of Bankruptcy Code and (E) Scheduling a Final Hearing.

7. On June 4, 11 and 13, 2012, the U.S. Bankruptcy Court entered various orders in the Chapter 11 Cases, including the “Final Order Authorizing LightSquared LP To Act as Foreign Representative Pursuant to 11 U.S.C. § 1505” (the “**Final Foreign Representative Order**”).

8. On June 14, 2012, on a motion brought by the Applicant, the Canadian Court granted an order (the “**June 14<sup>th</sup> Order**”) recognizing certain orders entered by the U.S. Bankruptcy Court including the following:

- a. Final Foreign Representative Order;
- b. Order Determining Adequate Assurance of Payment for Future Utility Services;
- c. Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay (the “**Cash Collateral Order**”); and
- d. Final Order (A) Authorizing Debtors To (I) Continue Using Existing Cash Management Systems, Bank Accounts and Business Forms and (II) Continue Intercompany Transactions, (B) Providing Postpetition Intercompany Claims Administrative Expense Priority, (C) Authorizing Debtors’ Banks To Honor All Related Payment Requests, and (D) Waiving Investment Guidelines of Sections 345(b) of Bankruptcy Code.

9. In connection with the June 14<sup>th</sup> Order, the Information Officer filed its First Report to the Canadian Court on June 12, 2012. The June 14<sup>th</sup> Order also approved the First Report and the activities of the Information Officer described therein.

10. On August 21, 2012, on a motion brought by the Applicant, the Canadian Court granted an order (the “**August 21<sup>st</sup> Order**”) recognizing the following orders of the U.S. Bankruptcy Court:

- a. Order Granting LightSquared's Motion for Order Approving Expedited Procedures for Sale, Transfer, and/or Abandonment of De Minimis Assets; and
- b. Order Pursuant to 11 U.S.C. § 502(b)(9) and Fed. R. Bankr. P. 2002 and 3003(c)(3) Establishing Deadlines for Filing Proofs of Claim and Procedures Relating Thereto and Approving Form and Manner of Notice Thereof.

11. In connection with the August 21<sup>st</sup> Order, the Information Officer filed its Second Report to the Canadian Court on August 15, 2012 (the "**Second Report**"). The August 21<sup>st</sup> Order also approved the Information Officer's Supplemental Report dated June 22, 2012, the Second Report and the activities of the Information Officer described therein.

12. On March 8, 2013, on a motion brought by the Applicant, the Canadian Court granted an order (the "**March 8<sup>th</sup> Order**") recognizing the following orders of the U.S. Bankruptcy Court:

- a. Order, Pursuant to 11 U.S.C. § 1121(d), Further Extending the Chapter 11 Debtors Exclusive Periods To File a Plan of Reorganization and Solicit Acceptances Thereof;
- b. Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay (the "**First Amended Cash Collateral Order**"); and
- c. Order, Pursuant to Section 105(a) of Bankruptcy Code and Bankruptcy Rules 6006, 9014, and 9019, (A) Approving Settlement Agreement Regarding Sprint Claims Under Master Services Agreement and (B) Authorizing Any and All Actions Necessary To Consummate Settlement Agreement.

13. In connection with the March 8<sup>th</sup> Order, the Information Officer filed its Fifth Report to the Canadian Court on March 5, 2013 (the "**Fifth Report**"). The March 8<sup>th</sup> Order also approved

the Information Officer's Third and Fourth Reports, the Fifth Report and the activities of the Information Officer described therein.

14. On March 20, 2013, on a motion brought by the Applicant, the Canadian Court granted an order (the "**March 20<sup>th</sup> Order**") recognizing the following order of the U.S. Bankruptcy Court:

- a. Order, Pursuant to 11 U.S.C. §§ 105(a), 363(b), and 363(f), (A) Approving and Authorizing LightSquared Network LLC and LightSquared Corp. To Enter into Consignment Agreement with Rincon Technology, Inc., (B) Authorizing Sale of Consigned Property, and (C) Authorizing LightSquared To Abandon Unsold Property.

15. In connection with the March 20<sup>th</sup> Order, the Information Officer filed its Sixth Report to the Canadian Court on March 15, 2013 (the "**Sixth Report**"). The March 20<sup>th</sup> Order also approved the Information Officer's Sixth Report and the activities of the Information Officer described therein.

16. On August 13, 2013, on a motion brought by the Applicant, the Canadian Court granted an order (the "**August 13<sup>th</sup> Order**") recognizing the following order of the U.S. Bankruptcy Court:

- a. Order Scheduling Certain Hearing Dates and Establishing Deadlines in Connection with Chapter 11 Plan Process (the "**Scheduling Order**").

17. In connection with the August 13<sup>th</sup> Order, the Information Officer filed its Eighth Report to the Canadian Court on August 9, 2013 (the "**Eighth Report**"). The August 13<sup>th</sup> Order also approved the Information Officer's Seventh Report, the Eighth Report and the activities of the Information Officer described therein.



18. On October 9, 2013, on a motion brought by the Applicant, the Canadian Court granted an order (the “**October 9<sup>th</sup> Order**”) recognizing the following orders of the U.S. Bankruptcy Court:

- a. Order Approving Expense Reimbursement and Related Relief for L-Band Acquisition, LLC and Mast Spectrum Acquisition Company LLC and Related Entities;
- b. Order (A) Establishing Bid Procedures, (B) Scheduling Date and Time for Auction, (C) Approving Assumption and Assignment Procedures, (D) Approving Form of Notice, and (E) Granting Related Relief (the “**Bid Procedures Order**”); and
- c. Final Order (I) Approving Compensation for Independent Directors, (II) Authorizing Administrative Expense Priority for Indemnification Claims Arising from Postpetition Services of Independent Directors, and (III) Granting Related Relief.

19. In connection with the October 9<sup>th</sup> Order, the Information Officer filed its Ninth Report to the Canadian Court on October 4, 2013 (the “**Ninth Report**”). The October 9<sup>th</sup> Order also approved the Information Officer’s Ninth Report and the activities of the Information Officer described therein.

20. On October 17, 2013, on a motion brought by the Applicant, the Canadian Court granted an order (the “**October 17<sup>th</sup> Order**”) recognizing the following order of the U.S. Bankruptcy Court:

- a. Order (I) Approving Disclosure Statements, (II) Approving Solicitation and Notice Procedures with Respect to Confirmation of Competing Plans, (III) Approving Forms of Various Ballots and Notices in Connection Therewith, (IV) Approving Scheduling of Certain Dates in Connection with Confirmation of Competing Plans, and (V) Granting Related Relief” (the “**Disclosure and Solicitation Order**”).

21. In connection with the October 17<sup>th</sup> Order, the Information Officer filed its Tenth Report to the Canadian Court on October 11, 2013 (the “**Tenth Report**”). The October 17<sup>th</sup> Order also approved the Information Officer’s Tenth Report and the activities of the Information Officer described therein.

22. On January 3, 2014, on a motion brought by the Applicant, the Canadian Court granted an order (the “**January 3<sup>rd</sup> Order**”) recognizing the following orders of the U.S. Bankruptcy Court:

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

23. In connection with the January 3<sup>rd</sup> Order, the Information Officer filed its Eleventh Report to the Canadian Court dated December 23, 2013 (the “**Eleventh Report**”) on December 24, 2013. The January 3<sup>rd</sup> Order also approved the Information Officer’s Eleventh Report and the activities of the Information Officer described therein.

24. Also on January 3, 2014, on a supplemental motion brought by the Applicant, the Canadian Court granted an order (the “**January 3<sup>rd</sup> Supplemental Order**”) recognizing the following order of the U.S. Bankruptcy Court:

- a. Order Authorizing LightSquared’s Motion Seeking Approval of LightSquared’s Revised Specific Disclosure Statement and Shortened Time to Object to Confirmation of LightSquared’s Revised Second

Amended Plan and Re-Solicitation Thereof (the “**Revised Specific Disclosure Statement and Solicitation Order**”).

25. In connection with the January 3<sup>rd</sup> Supplemental Order, the Information Officer filed its Twelfth Report to the Canadian Court on January 2, 2014 (the “**Twelfth Report**”).

26. On February 5, 2014, on a motion brought by the Applicant, the Canadian Court granted an order (the “**February 5<sup>th</sup> Order**”) recognizing the following orders of the U.S. Bankruptcy Court:

- a. Order Authorizing LightSquared to (A) Enter Into and Perform Under Engagement Letter and (B) Provide Related Indemnities (the “**Engagement Order**”)
- b. Final Order (A) Authorizing LP DIP Obligors to Obtain Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens And Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay (the “**LP DIP Order**”); and
- c. Second Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection To Prepetition Secured Parties, and (C) Modifying Automatic Stay (the “**Third Amended Cash Collateral Order**”);

27. The February 5<sup>th</sup> Order also approved the Information Officer’s Twelfth Report and the activities of the Information Officer set out therein.

28. In connection with the February 5<sup>th</sup> Order, the Information Officer filed its Thirteenth Report to the Canadian Court on February 4, 2014 (the “**Thirteenth Report**”).

#### **PURPOSE OF THIS REPORT**

29. On February 19, 2014, the Foreign Representative served a Motion Record in these proceedings, including a Notice of Motion returnable on February 26, 2014 (the “**February 26<sup>th</sup>**”).

**Motion**” or the “**Recognition Motion**”). The Motion Record includes an affidavit of Elizabeth Creary sworn February 19, 2014 (the “**Creary Affidavit**”).

30. The purpose of this fourteenth report of the Information Officer (the “**Fourteenth Report**”) is to provide the Canadian Court with information concerning the Chapter 11 Cases, including:

- a. the Foreign Representative’s request for recognition by the Canadian Court of the following order (the “**Foreign Order**”):
  - i. Order Approving (A) LightSquared’s Third Amended Specific Disclosure Statement and (B) Shortened Time To Object To Confirmation Of LightSquared’s Third Amended Plan And Streamlined Re-solicitation Thereof (the “**Third Amended Disclosure Statement Order**”);
- b. certain upcoming matters scheduled to be heard in the U.S. Bankruptcy Court; and
- c. information concerning the activities of the Information Officer since the date of the Thirteenth Report (the “**Activities Report**”).

31. The limitations in this paragraph do not apply to the Activities Report in this Fourteenth Report. In preparing this Fourteenth Report, A&M Canada, in its limited capacity as Information Officer, has relied upon documents filed with the Court in these proceedings, documents filed in the Chapter 11 Cases and other information made available to it by the Foreign Representative, the Chapter 11 Debtors and their respective counsel (the “**Parties**”), as appropriate (collectively, the “**Information**”). Based on its limited review and limited interaction with the Parties to date, nothing has come to A&M Canada’s attention that would cause it to question the reasonableness of the Information presented herein. However, to the extent that this Fourteenth Report contains any financial information of the Chapter 11 Debtors (“**Financial Information**”), A&M Canada has not audited, reviewed or otherwise attempted to

independently verify the accuracy or completeness of the Financial Information. Accordingly, A&M Canada expresses no opinion or other form of assurance in respect of the Financial Information.

32. All terms not otherwise defined in this Fourteenth Report have the meanings ascribed to them in the Chapter 11 Cases.

33. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars.

### **THIRD AMENDED DISCLOSURE STATEMENT ORDER**

34. As noted above, on January 3, 2014, this Honourable Court recognized and gave full force and effect in Canada to the Revised Specific Disclosure Statement and Solicitation Order which, among other things, approved a solicitation process for the *Debtors' Revised Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* (the "**Second Amended Plan**").

35. In the Creary Affidavit, the affiant states that since the filing of the Second Amended Plan LightSquared has remained focused on achieving a broad consensus among its stakeholders and maximizing value for the benefit of all of its estates. Following certain developments in the Chapter 11 Cases, including the termination of the bid submitted by L-Band Acquisition, LLC ("**LBAC**"), the Chapter 11 Debtors and the Plan Support Parties have re-engaged with LightSquared's key stakeholders with the goal of garnering support for LightSquared's reorganization.

36. On February 14, 2014, the Chapter 11 Debtors filed the *Debtors' Third Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* (the "**LightSquared Plan**"), LightSquared's

Third Amended Specific Disclosure Statement (the “**LightSquared Specific Disclosure Statement**”) and a motion seeking entry of the Third Amended Disclosure Statement Order (the “**U.S. Motion**”).

37. The Creary Affidavit contains summaries of the LightSquared Plan and the differences between it and the Second Amended Plan. Among those differences are: (i) the removal of the condition requiring FCC approval of its pending license modification applications; (ii) the issuance of a note in satisfaction of the Prepetition LP Facility SPSO Claims; and (iii) the provision for accelerated distributions to the majority of LightSquared’s creditors shortly after confirmation. The affiant states that the LightSquared Plan has support from a substantial portion of LightSquared’s existing stakeholders.

38. In the U.S. Motion, the Chapter 11 Debtors submitted that implementing the LightSquared Plan and the modifications reflected therein does not require a complete re-solicitation of votes because the modifications do not “materially and adversely” impact any claimant’s treatment. They submitted that, like the Second Amended Plan, the LightSquared Plan provides for the satisfaction in full of all classes of claims and equity interests but, unlike the Second Amended Plan, all holders of claims and equity interests, including holders of Prepetition LP Facility SPSO Claims, will benefit further because plan distributions will be made before the FCC license modification approval. Furthermore, the U.S. Motion provides that the holders of Inc. General Unsecured Claims and LP Unsecured Claims had already voted overwhelmingly to accept the Second Amended Plan and are not impacted in any way by the modifications in the LightSquared Plan.

39. However, the Chapter 11 Debtors recognized that some additional disclosure and re-solicitation may be required in connection with the LightSquared Plan, primarily because holders

of Prepetition LP Facility SPSO Claims, who did not have a right to vote under the Second Amended Plan, will now be entitled to vote.

40. The Chapter 11 Debtors also submitted that the fast-track process sought as part of the U.S. Motion will not prejudice existing parties in light of the quantity of information that has already been made available to the significant stakeholders in the Chapter 11 Cases as a result of LightSquared's previously filed plans (and disclosure statements) and the ongoing Ergen Adversary Proceeding (see discussion later in this Report).

41. On February 24, 2014, the U.S. Bankruptcy Court granted the U.S. Motion and entered the Third Amended Disclosure Statement Order, a copy of which has been served by the counsel to the Foreign Representative as Exhibit 'A' to the Affidavit of Christopher Blake Moran sworn February 24, 2014 (the "**Moran Affidavit**"). The Third Amended Disclosure Statement Order, among other things:

- a. Approves the proposed modifications to the Second Amended Plan contained in the LightSquared Plan;
- b. Approves the LightSquared Specific Disclosure Statement;
- c. Directs the distribution of Solicitation Materials (as defined in the Third Amended Disclosure Statement Order); and
- d. Establishes the following amended dates and deadlines with respect to the LightSquared Plan:

<b>Event</b>	<b>Date</b>
Plan Voting Deadline	March 3, 2014 at 4:00 p.m. (Pacific)
Plan Objection Deadline	March 11, 2014 at 12:00 p.m. (Eastern)
Deadline to submit Voting Report	March 7, 2014 at 4:00 p.m. (Eastern)
Deadline to submit confirmation briefs in support of the LightSquared Plan and in respect of Plan Objections	March 14, 2014 at 4:00 p.m. (Eastern)
Confirmation Hearing	March 17, 2014 at 10:00 a.m. (Eastern)

42. The affiant in the Creary Affidavit states that the terms of the Third Amended Disclosure Statement Order (the Information Officer understands that the omission of the word “Order” in paragraph 20 of the Creary Affidavit was a clerical error) are reasonable in the circumstances as the modifications continue to provide for satisfaction in full of all claims and equity interests, the LightSquared Plan is supported by a substantial portion of LightSquared’s stakeholders, the vast majority of creditors and interested parties are aware of the compressed timelines and fast-track nature of the proceedings and the expedited timeline is critical in light of LightSquared’s available cash.

43. The Creary Affidavit then states that “[the Foreign Representative] respectfully request[s] that the [Canadian] Court recognize the Third Amended Disclosure Statement Order ..., as the terms and conditions contained therein are fair and reasonable and in the best interests of the Chapter 11 Debtors’ estates and creditors.”

## **CERTAIN UPCOMING U.S. BANKRUPTCY COURT HEARINGS**

### **Confirmation Hearing and New DIP Order Hearing**

44. The U.S. Bankruptcy Court hearing to consider the confirmation of the LightSquared Plan (the “**Confirmation Hearing**”) is scheduled to commence on March 17, 2014 at 10:00 a.m. Eastern.

45. The LightSquared Plan contemplates, among other things, that the Chapter 11 Debtors would enter into a new debtor in possession facility (the “**New DIP Facility**”). On February 14, 2014, the Chapter 11 Debtors filed a motion for entry of an order (the “**New DIP Motion**”) approving the New DIP Facility and providing related relief (the “**New DIP Order**”).



46. The New DIP Motion, expected to be heard in conjunction with the Confirmation Hearing, describes the New DIP Facility as being comprised of two separate tranches:

- a. Tranche A - \$1.35 billion to be provided by the Plan Support Parties;
- b. Tranche B - \$300 million to be provided by (i) the refinancing (i.e. roll-up) of a portion of the Prepetition LP Facility Non-SPSO Claims into the New DIP Facility, and/or (ii) new money provided by the Plan Support Parties or other lenders.

47. The Foreign Representative has advised the Information Officer that it intends to seek recognition of the New DIP Order by this Honourable Court as soon as possible after it is entered by the U.S. Bankruptcy Court.

#### **Update on the Ergen Adversary Proceeding and Other Litigation**

48. The Information Officer considers that the following may assist this Honourable Court in putting into context the references above and in the LightSquared Plan to the Prepetition LP Facility SPSO Claims.

49. The LightSquared Specific Disclosure Statement, a copy of which was attached as Exhibit 'D' to the Moran Affidavit, at Article I, B.1., provides a description and update on LightSquared's adversarial proceeding (the "**Ergen Adversary Proceeding**") brought against Charles Ergen, EchoStar Corporation, DISH Network Corporation ("**DISH**"), and SPSO, stating that:

[it relates] to, among other things, such defendants' conduct (a) with respect to acquiring Prepetition LP Facility Claims in violation of the Prepetition LP Credit Agreement, and (b) throughout the Chapter 11 Cases and LightSquared's restructuring efforts. ... The record in the Ergen Adversary Proceeding has closed. The plaintiffs must file their findings of fact and memorandum of law by February 24, 2014, the defendants must file their findings of fact and memorandum of law by March 10, 2014, and the Court will hear closing arguments on March 12, 2014.

50. This passage continues with the following description of a further claim that is relevant:

Independent of the Ergen Adversary Proceeding, the Ad Hoc Secured Group and other parties in interest are entitled to pursue the equitable subordination of SPSO's Claims in conjunction with confirmation of a plan that contemplates subordination of the SPSO claims. This relief may be premised on theories of misconduct different from, or in addition to, those set forth in the Ergen Adversary Proceeding.

The Ad Hoc Secured Group intends to proceed as outlined herein. In addition to the facts alleged and claims asserted in connection with the Ergen Adversary Proceeding, LightSquared and other parties aligned with LightSquared in the Ergen Adversary Proceeding (the "Supporting Parties") believe that the entities controlled by Ergen, including SPSO, LBAC, and DISH (collectively, the "Ergen Entities"), continued to engage in inequitable conduct throughout these Chapter 11 Cases. LightSquared and the Supporting Parties believe that such conduct further supports a determination by the Bankruptcy Court that SPSO's Claims should be equitably subordinated and that its vote on the Plan should be designated. The parties further believe that each of the Ergen Entities has acted in concert in these Chapter 11 Cases at the direction of Ergen, and due to the lack of separation and disregard of corporate formalities by and between the Ergen Entities, their collective misconduct is attributable to SPSO and its Claims.

51. The Information Officer is not, by quoting these passages, commenting on the validity of the claims or description therein. However, the descriptions do provide some context, at least from the perspective of the Chapter 11 Debtors and the Ad Hoc Secured Group, for the proposed treatment of the Prepetition LP Facility SPSO Claims under the LightSquared Plan.

52. The U.S. Bankruptcy Court hearing on this matter is scheduled for March 12, 2014 at 10:00 a.m. Eastern.

#### **ACTIVITIES OF THE INFORMATION OFFICER**

53. The activities of the Information Officer since the date of the Thirteenth Report have included:

- a. reviewing the Motion Record in respect of the February 26<sup>th</sup> Motion, reviewing and monitoring the materials filed in the Chapter 11 Cases and discussions with its counsel, Goodmans, and with counsel for the Foreign Representative regarding same;

- b. updating the Information Officer's website at [www.amcanadadocs.com/lightsquared](http://www.amcanadadocs.com/lightsquared) to make available copies of the Thirteenth Report, Recognition Orders and motion materials; and
- c. preparing this Fourteenth Report and discussions with Goodmans regarding same.

54. The Foreign Representative is seeking approval of the Thirteenth Report and the activities of the Information Officer set out therein in its Recognition Motion. No concerns have been expressed to the Information Officer or Goodmans with respect to the Thirteenth Report. Given the necessarily short period between the service of this Fourteenth Report and the return of the Recognition Motion, the Foreign Representative has advised that it will not seek approval of this Fourteenth Report at the hearing of the Recognition Motion.

#### **RECOMMENDATION**

55. The Information Officer understands that the secured creditors registered against the Canadian Chapter 11 Debtor entities have been given notice of the Recognition Motion and are notice parties in the Chapter 11 Cases.

56. Based on its review of the materials, as described in this Fourteenth Report, the Information Officer understands that the Foreign Order sought to be recognized and approved in the Recognition Motion is necessary for the protection of the Chapter 11 Debtors' property and the interest of their creditors. The Information Officer does not believe that the relief sought in the Recognition Motion is contrary to Canadian public policy.

57. Based on the foregoing, the Information Officer respectfully recommends that this Honourable Court grant the relief sought by the Foreign Representative in the Recognition Motion.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED** at Toronto, Ontario this 25<sup>th</sup> day of February, 2014.

**ALVAREZ & MARSAL CANADA INC.**

in its capacity as the Information Officer of  
LightSquared LP and not in its personal or corporate capacity

Per:   
John J. Walker

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

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

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

**FOURTEENTH REPORT OF  
INFORMATION OFFICER  
(Dated February 25, 2014)**

**GOODMANS LLP**

Barristers & Solicitors  
Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, ON M5H 2S7

Jay A. Carfagnini (LSUC#: 22293T)  
Tel: 416. 597.4107

Brian F. Empey (LSUC# 30640G)  
Tel: 416.597.4194

Fax: 416.979.1234

Lawyers for the Information Officer

Court File No: CV-12-9719-00CL

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

---

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT  
TORONTO

**MOTION RECORD  
(Returnable April 11, 2014)**

DENTONS CANADA LLP  
77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto, Ontario  
M5K 0A1

**John Salmas / C. Blake Moran**

LSUC No.: 42336B / 62296M  
Tel: 416 863-4737 / 863-4495  
Fax: (416) 863-4592  
Email: john.salmas@dentons.com  
blake.moran@dentons.com

*Lawyers for the Chapter 11 Debtors.*