

**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 January 3, 2014)**

December 18, 2013

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**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
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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 January 3, 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 January 3, 2014 at 10:00 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 time for service and validating service of this Notice of Motion and Motion Record, such that this motion is properly returnable on January 3, 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 cases commenced by the Chapter 11 Debtors in the U.S. Bankruptcy Court under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "**Chapter 11 Cases**"):
 - (i) Order Modifying Previously Scheduled Hearing Dates and Deadlines in Connection with Chapter 11 Plan Process (the "**Modified Scheduling Order**");
 - (ii) 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**"); and
 - (c) approving the eleventh report (the "**Eleventh 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.
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 the Chapter 11 Cases by each filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the U.S. Bankruptcy Court;
2. Other than the Chapter 11 Cases and these proceedings, there are no other foreign proceedings in respect of the Chapter 11 Debtors;
3. On May 15, 2012, the Honourable Justice Morawetz 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;
4. 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;
5. On May 18, 2012, the Honourable Justice Morawetz 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 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, 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;

7. On June 14, 2012, August 21, 2012, March 8, 2013, March 20, 2013, August 13, 2013, October 9, 2013, October 17, 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;

Foreign Orders

Modified Scheduling Order

8. On November 25, 2013, the U.S. Bankruptcy Court held a status conference (the "**November Conference**") in the Chapter 11 Cases to evaluate certain of the hearing dates and deadlines established to date.
9. After lengthy discussion with, and input from, the interested parties, the U.S. Bankruptcy Court came to a determination that, among other things, a brief delay of the auction of the Chapter 11 Debtors' assets and the confirmation hearing in the Chapter 11 Cases (the "**Confirmation Hearing**") was warranted, appropriate, and achievable given the current facts and circumstances in the Chapter 11 Cases.
10. As a result of the November Conference, on December 3, 2013, the U.S. Bankruptcy Court entered the Modified Scheduling Order.
11. Pursuant to the Modified Scheduling Order, the U.S. Bankruptcy Court modified the previously established hearing dates and deadlines in the Chapter 11 Cases which had been set out in previous orders of the U.S. Bankruptcy Court and that had been recognized in Canada previously. Such modifications included, among other things, moving the commencement of the confirmation hearing in the Chapter 11 Cases to January 9, 2014.

Second Amended Cash Collateral Order

12. 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, the 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 (the “**Prepetition LP Credit Facility**”).
13. As of May 14, 2012, an aggregate amount of approximately \$1,700,571,106 was outstanding under the Prepetition LP Credit Facility.
14. The LP Obligors required authorization from the U.S Bankruptcy Court to use the cash collateral (as such term is defined in section 363 of the Bankruptcy Code (the “**Cash Collateral**”)) of the Prepetition LP Lenders. Such relief was also necessary to ensure that the Chapter 11 Debtors could (i) address working capital needs, (ii) fund reorganization efforts and (iii) continue to operate in the ordinary course during the Chapter 11 Cases.
15. Pursuant to the *Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay*, the LP Obligors were originally permitted to consensually use the Prepetition LP Lenders’ Cash Collateral through June 13, 2013. Such date was extended to December 31, 2013 pursuant to 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*.
16. As a consequence of the Modified Scheduling Order, the Confirmation Hearing is currently scheduled to commence on January 9, 2014 – after the date upon which

the consensual use of the Prepetition LP Lenders' Cash Collateral is currently set to expire.

17. Therefore, on December 6, 2013 the Chapter 11 Debtors brought a motion which is scheduled to be heard on December 20, 2013 before the U.S. Bankruptcy Court seeking entry of an order (the "**Second Amended Cash Collateral Order**") permitting the LP Obligors to continue to use the cash collateral of the Prepetition LP Lenders until February 28, 2014 (the "**Second Amended Cash Collateral Motion**").
18. The Foreign Representative is of the view that the Canadian Court should recognize the Modified Scheduling Order and the Second Amended Cash Collateral Order should it be granted by the U.S. Bankruptcy Court, as it is appropriate and necessary for the protection of the Chapter 11 Debtors' property and the interests of their creditors.
19. A supplemental affidavit will be filed prior to the return of this motion on January 3, 2014 providing an update with respect to the U.S. Bankruptcy Court's final disposition of the Second Amended Cash Collateral Motion.

General

20. The facts as further set out in the Eleventh Report and the affidavit of Elizabeth Creary sworn December 18, 2013 (the "**Creary Affidavit**");
21. The provisions of the CCAA, including Part IV;
22. The *Rules of Civil Procedure*, including rules 2.03, 3.02 and 16; and
23. 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 Eleventh Report (to be filed separately); and
3. Such further and other material as counsel may advise and this Honourable Court may permit.

December 18, 2013

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TO: THE SERVICE LIST

TAB A

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) THURSDAY, THE 3rd
JUSTICE MORAWETZ) DAY OF JANUARY, 2014
)

**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
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**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

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 December 18, 2013 (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 December 18, 2013, the eleventh report of Alvarez & Marsal Canada Inc., in its capacity as court-appointed information officer of the Chapter 11 Debtors (the “**Information Officer**”), dated December ●, 2013 (the “**Eleventh Report**”), and on hearing the submissions of counsel for the Foreign Representative, counsel for the Information Officer, counsel for the ad hoc secured group of LightSquared LP Lenders and counsel to L-Band Acquisition, LLC, no one else appearing although duly served as appears from the affidavit of service of ● sworn December ●, 2013, filed,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

RECOGNITION OF FOREIGN ORDER

2. **THIS COURT ORDERS** that the following orders (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) Order Modifying Previously Scheduled Hearing Dates and Deadlines in Connection with Chapter 11 Plan Process; 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;

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.

3. **THIS COURT ORDERS** that the Eleventh Report and the activities of the Information Officer as described therein be and are hereby approved.

SCHEDULE "A"

Disclosure Statements, (II) Approving Solicitation and Notice Procedures with Respect to Confirmation of Competing Plans, (III) Approving Forms of Various Ballots and Notices in Connection Therewith, (IV) Approving Scheduling of Certain Dates in Connection with Confirmation of Competing Plans, and (V) Granting Related Relief [Docket No. 936] (the “Disclosure Statement Order”) due to the current facts and circumstances in these Chapter 11 Cases; and responses to the Motion having been orally presented to the Court at the Conference by (x) U.S. Bank National Association and MAST Capital Management, LLC, on behalf of itself and its management funds and accounts, (y) the ad hoc secured group of Prepetition LP Lenders,² and (z) L-Band Acquisition Corp. and SP Special Opportunities, LLC (together, the “Responses”); and the Court having considered the Motion and the Responses and having heard arguments with respect to the Motion and the Responses at the Conference; and it appearing, and the Court having found, that the relief requested in the Motion is in the best interests of LightSquared, its estates, its creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor, it is hereby **ORDERED** that:

1. The Scheduling Order, Bid Procedures Order, and Disclosure Statement Order are modified to the extent set forth herein.

2. The following modified dates are established in the Chapter 11 Cases:

- (a) Bid Deadline for Harbinger Capital Partners, LLC and/or its non-Debtor affiliates and subsidiaries only: November 26, 2013 at 4:00 p.m. (prevailing Eastern time).

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the (a) *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], (b) *Final Order, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, and 507, (A) Authorizing Inc. Obligors To Obtain Postpetition Financing, (B) Granting Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 224], (c) Bid Procedures Order, and (d) Disclosure Statement Order, as applicable.

- (b) Deadline for Harbinger Capital Partners, LLC to submit a revised chapter 11 plan and accompanying disclosure statement: December 11, 2013.
- (c) Deadline by which LightSquared shall notify the Qualified Bidders of the Qualified Bid or Bids it believes to represent the then highest or otherwise best bid(s):³ December 5, 2013 at 12:00 p.m. (prevailing Eastern time).
- (d) Auction: Shall commence on December 11, 2013 at 10:00 a.m. (prevailing Eastern time) and shall conclude by such date.⁴
- (e) Deadline for Debtors to disclose (i) the proposed transaction, if any, to be implemented under the Debtors' existing chapter 11 plan and (ii) modifications, if any, to the Debtors' existing chapter 11 plan and accompanying disclosure statement: December 24, 2013 at 5:00 p.m. (prevailing Eastern time).
- (f) Plan Supplement Date: December 30, 2013 at 4:00 p.m. (prevailing Eastern time).
- (g) Plan Objection Deadline, Highest Bidder Objection Deadline, and Financial Wherewithal Objection Deadline: December 30, 2013 at 4:00 p.m. (prevailing Eastern time).
- (h) Voting Deadline: December 30, 2013 at 4:00 p.m. (prevailing Pacific time).
- (i) Pre-Trial Conference: January 3, 2013 at 10:00 a.m. (prevailing Eastern time) subject to the Court's calendar.
- (j) Deadline to submit Voting Report: January 3, 2014 at 4:00 p.m. (prevailing Eastern time).
- (k) Deadline to submit confirmation briefs in support of chapter 11 plan(s) and in response to Plan Objections, Highest Bidder Objections, and Financial Wherewithal Objections: January 7, 2014 at 9:00 p.m. (prevailing Eastern time).

³ Notwithstanding the foregoing, the rights of the Special Committee to determine that no Qualified Bid is the highest or otherwise best bid are fully preserved.

⁴ Notwithstanding the commencement and conclusion of the Auction and the selection at the Auction of the highest and otherwise best bid(s) for LightSquared's Assets, or any grouping or subset thereof, all rights of the Special Committee to pursue alternative transactions (consistent with its fiduciary obligations) are fully preserved.

- (l) Confirmation Hearing: January 9, 2014 at 10:00 a.m. (prevailing Eastern time).⁵

3. The dates in this Order may be adjourned or continued from time to time by the Court upon further notice (either announced in open court or by a notice of adjournment filed with, and at the direction of, the Court and served in accordance with the *Order Establishing Certain Notice, Case Management, and Administrative Procedures* [Docket No. 121]). Any party's request to adjourn the dates set forth herein shall, to the extent practicable, be on notice (including shortened notice) for cause shown.

4. The Court retains jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Order.

Dated: December 3, 2013
New York, New York

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

⁵ The deadlines set forth in subparagraphs (f)-(l) in this paragraph 2 shall apply only to chapter 11 plans currently on file and shall not apply to any chapter 11 plans that are filed or materially modified after the date hereof, as to which all parties reserve their rights under the Bankruptcy Code and Bankruptcy Rules.

SCHEDULE "B"

**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. ¹⁴	)	Jointly Administered
)	

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

Upon the initial motion (the “Initial Motion”)¹⁵ 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

¹⁴ 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.

¹⁵ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion and the First Amended Cash Collateral Order (as defined below), as applicable.

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

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

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

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

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

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

2. Paragraph 14(n) of the First Amended Cash Collateral Order is hereby amended in its entirety as follows: "February 28, 2014."

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

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

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

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

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

New York, New York
Date: December __, 2013

Honorable Shelley C. Chapman
United States Bankruptcy Judge

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
(JANUARY 3, 2013)**

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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

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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 December 18, 2013)

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 of the United States Bankruptcy Court for the Southern District of New York (the "U.S. Bankruptcy Court") made in the cases commenced by the Chapter 11 Debtors in the U.S. Bankruptcy Court under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Chapter 11 Cases"):

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

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 4th Generation Long Term Evolution ("4G LTE") open wireless broadband network that incorporates nationwide satellite coverage throughout North America and offers users, wherever they may be located, the speed, value and reliability of universal connectivity.

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 the Chapter 11 Cases 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. Other than the Chapter 11 Cases and these proceedings, there are no other foreign proceedings in respect of the Chapter 11 Debtors.

7. On May 15, 2012, the Honourable Justice Morawetz 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.

8. 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.

9. On May 18, 2012, the Honourable Justice Morawetz 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 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.

10. 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.

11. 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**”).

12. On March 8, 2013, the Canadian Court recognized and enforced in Canada certain orders of the U.S. Bankruptcy Court made in the Chapter 11 Cases, including the 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” (the “**First Amended Cash Collateral Order**”).

13. 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

Modified Scheduling Order

14. On November 25, 2013, the U.S. Bankruptcy Court held a status conference (the “**November Conference**”) with the Chapter 11 Debtors, the special committee of the boards of directors (the “**Special Committee**”) for LightSquared Inc. and LightSquared GP Inc., and certain other interested parties in the Chapter 11 Cases to evaluate certain of the hearing dates and deadlines established by previous orders of the U.S. Bankruptcy Court regarding the Debtors’ sale process, solicitation and voting process and confirmation hearing.

15. After lengthy discussion with, and input from, the interested parties – including (i) the Special Committee, (ii) U.S. Bank National Association and MAST Capital Management, LLC, on behalf of itself and its management funds and accounts, (iii) the ad hoc secured group of Prepetition LP Lenders, and (iv) L-Band Acquisition Corp. and SP Special Opportunities, LLC – the U.S. Bankruptcy Court came to a

determination that, among other things, a brief delay of the auction of the Chapter 11 Debtors' assets and the confirmation hearing in the Chapter 11 Cases (the "**Confirmation Hearing**") was warranted, appropriate, and achievable given the current facts and circumstances in the Chapter 11 Cases.

16. As a result of the November Conference, on December 3, 2013, the U. S. Bankruptcy Court entered the Modified Scheduling Order. A copy of the entered Modified Scheduling Order is attached to this my affidavit at **Exhibit "A"**.

17. Pursuant to the Modified Scheduling Order, the U.S. Bankruptcy Court modified the dates set by the (i) *Order Scheduling Certain Hearing Dates And Establishing Deadlines In Connection With The Chapter 11 Plan Process* dated July 24, 2013; (ii) *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* dated October 1, 2013; and (iii) *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* dated October 10, 2013 and established the following hearing dates and deadlines in the Chapter 11 Cases:

- (a) Bid Deadline for Harbinger Capital Partners, LLC and/or its non-Debtor affiliates and subsidiaries only: November 26, 2013 at 4:00 p.m. (prevailing Eastern time).
- (b) Deadline for Harbinger Capital Partners, LLC to submit a revised chapter 11 plan and accompanying disclosure statement: December 11, 2013.
- (c) Deadline by which LightSquared shall notify the Qualified Bidders of the Qualified Bid or Bids it believes to represent the then highest or otherwise best bid(s): December 5, 2013 at 12:00 p.m. (prevailing Eastern time).

- (d) Auction: Shall commence on December 11, 2013 at 10:00 a.m. (prevailing Eastern time) and shall conclude by such date.
- (e) Deadline for Debtors to disclose (i) the proposed transaction, if any, to be implemented under the Debtors' existing chapter 11 plan and (ii) modifications, if any, to the Debtors' existing chapter 11 plan and accompanying disclosure statement: December 24, 2013 at 5:00 p.m. (prevailing Eastern time).
- (f) Plan Supplement Date: December 30, 2013 at 4:00 p.m. (prevailing Eastern time).
- (g) Plan Objection Deadline, Highest Bidder Objection Deadline, and Financial Wherewithal Objection Deadline: December 30, 2013 at 4:00 p.m. (prevailing Eastern time).
- (h) Voting Deadline: December 30, 2013 at 4:00 p.m. (prevailing Pacific time).
- (i) Pre-Trial Conference: January 3, 2013 at 10:00 a.m. (prevailing Eastern time) subject to the Court's calendar.
- (j) Deadline to submit Voting Report: January 3, 2014 at 4:00 p.m. (prevailing Eastern time).
- (k) Deadline to submit confirmation briefs in support of chapter 11 plan(s) and in response to Plan Objections, Highest Bidder Objections, and Financial Wherewithal Objections: January 7, 2014 at 9:00 p.m. (prevailing Eastern time).
- (l) Confirmation Hearing: January 9, 2014 at 10:00 a.m. (prevailing Eastern time).

18. The Modified Scheduling Order provides the U.S. Bankruptcy Court with the authority to adjourn any of the dates in such order from time to time.

19. The revised timeline established under the Modified Scheduling Order:
- (a) provides a streamlined and orderly process that allows all issues arising from or related to competing plans to be litigated and considered by the Court at one time, thereby preserving the rights of all stakeholders;
 - (b) is fair in the circumstances, providing stakeholders with ample notice and time to understand and participate in the plan process;
 - (c) is expeditious and appropriate in the circumstances and does not result in unnecessary delays; and
 - (d) minimizes restructuring costs, thereby maximizing value for the benefit of all stakeholders.

20. To my knowledge, no party has appealed the Modified Scheduling Order in the Chapter 11 Cases.

21. The Chapter 11 Debtors thus respectfully request that the Court recognize the Modified Scheduling Order, as the terms and conditions contained in the Modified Scheduling Order are fair and reasonable and in the best interests of the LP Obligors' estates and creditors, and thus the Chapter 11 Debtors' request to have the Modified Scheduling Order recognized should be approved.

22. On December 11, 2013 the Chapter 11 Debtors filed with the U.S. Bankruptcy Court *Lightsquared's Auction Related Notice* (the "**Notice**") at the direction of the Special Committee. As outlined in the Notice, the Chapter 11 Debtors did not hold an Auction as contemplated by the *Debtors' First Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* (the "**First Amended Plan**") and the Chapter 11 Debtors did not deem any bids received for the assets, or any grouping or subset thereof, the Successful Bid, as defined in and under its First Amended Plan.

23. At the present time, the Chapter 11 Debtors are working with various stakeholders to develop an amended plan that will be in the best interests of the Chapter 11 Debtors' estate of and the respective creditors.

Second Amended Cash Collateral Order

24. 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**”).

25. 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.

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

27. LP Obligors required authorization from the U.S Bankruptcy Court to use the cash collateral (as such term is defined in section 363 of the Bankruptcy Code (the “**Cash Collateral**”)) of the Prepetition LP Lenders. Such relief was also necessary to ensure that the LP Obligors could (i) address working capital needs, (ii) fund reorganization efforts and (iii) continue to operate in the ordinary course during the Chapter 11 Cases.

28. Pursuant to the Initial Cash Collateral Order, the LP Obligors were originally permitted to consensually use the Prepetition LP Lenders’ Cash Collateral through June

13, 2013. Such date was extended to December 31, 2013 pursuant to the First Amended Cash Collateral Order.

29. As a consequence of the Modified Scheduling Order, the Confirmation Hearing is now scheduled to commence on January 9, 2014 – after the date upon which the consensual use of the Prepetition LP Lenders’ Cash Collateral is currently set to expire.

30. Therefore, on December 6, 2013 the Chapter 11 Debtors brought a motion, which is scheduled to be heard on December 20, 2013 before the U.S. Bankruptcy Court, seeking entry of an order (the “**Second Amended Cash Collateral Order**”) permitting the LP Obligors to continue to use the Cash Collateral of the Prepetition LP Lenders until February 28, 2014 (the “**Second Amended Cash Collateral Motion**”). A copy of the Second Amended Cash Collateral Motion is attached to this my affidavit at **Exhibit “B”**.

31. The Foreign Representative is of the view that the Canadian Court should recognize the Modified Scheduling Order and the Second Amended Cash Collateral Order should it be granted by the U.S. Bankruptcy Court, as it is appropriate and necessary for the protection of the Chapter 11 Debtors’ property and the interests of their creditors and other stakeholders.

32. A supplemental affidavit will be filed prior to the return of this motion on January 3, 2014 providing an update with respect to the U.S. Bankruptcy Court’s final disposition of the Second Amended Cash Collateral Motion.

33. The Chapter 11 Debtors are of the view that the Canadian Court should recognize the Second Amended Cash Collateral Order as:

- (a) the LP Obligors, at the direction of the Special Committee, have determined, in the exercise of their business judgment and in consultation with the Chapter 11 Debtors’ financial advisor, Moelis & Company LLC (“**Moelis**” or the “**Financial Advisor**”), that they require the use of Cash Collateral to successfully exit from chapter 11;

- (b) the LP Obligors have agreed to continue to use Cash Collateral in accordance with a budget (the “**Budget**”), attached as Schedule 1 to the Second Amended Cash Collateral Order, developed by the Chapter 11 Debtors, in consultation with Moelis;
- (c) the Budget is achievable and will continue to allow the LP Obligors to operate without the accrual of unpaid administrative expenses and will continue to adequately protect the Prepetition LP Agent and the Prepetition LP Lenders from diminution in the value of their interests in the Cash Collateral;
- (d) since July 1, 2012, pursuant to the Initial Cash Collateral Order and the First Amended Cash Collateral Order, the LP Obligors have at all times paid the Prepetition LP Agent, for the benefit of the Prepetition LP Lenders, a monthly cash interest payment in the amount of \$6,250,000 (the “**Adequate Protection Payments**”). The LP Obligors have sufficient funds to make such Adequate Protection Payments to the Prepetition LP Agent for the benefit of the Prepetition LP Lenders into February 2014;
- (e) to date, the LP Obligors have paid to the Prepetition LP Agent for the benefit of the Prepetition LP Lenders an aggregate amount of \$112,500,000 in Adequate Protection Payments; and
- (f) the only alternative to the LP Obligors’ use of Cash Collateral – the immediate liquidation of their assets – would be catastrophic for both the Chapter 11 Debtors and the Prepetition LP Lenders given that an orderly conclusion to these Chapter 11 Cases is well within sight and is scheduled to begin on a date certain (i.e., at the January 9, 2014 Confirmation Hearing).

34. The Chapter 11 Debtors thus respectfully request that the Court recognize the Second Amended Cash Collateral Order, pending its approval by the U.S. Bankruptcy Court, as the terms and conditions contained in the Second Amended Cash Collateral Order are fair and reasonable and in the best interests of the LP Obligors’ estates and

creditors, and thus the Chapter 11 Debtors' request to have the Second Amended Cash Collateral Order recognized should it be approved.

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

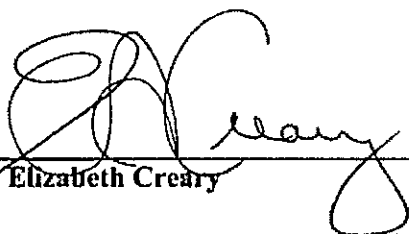
36. As a result, the Foreign Representative is requesting that the Canadian Court recognize in Canada and enforce the Modified Scheduling Order and the Second Amended Cash Collateral Order, to the extent the relief requested in the Second Amended Cash Collateral Motion is granted, pursuant to Section 49 of the CCAA.

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

SWORN before me in the City of Ottawa)
in the Province of Ontario this 18th day of)
December, 2013)



Commissioner for Taking Affidavits, etc.)



Elizabeth Creary)

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

TAB A

Exhibit "A" to the Affidavit of Elizabeth Creary,
sworn before me this 18th day of December, 2013.



Commissioner for Taking Affidavits, etc.

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

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

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

ORDER MODIFYING PREVIOUSLY SCHEDULED HEARING DATES AND DEADLINES IN CONNECTION WITH CHAPTER 11 PLAN PROCESS

Upon the oral motion (the "Motion") presented by LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, "LightSquared" or the "Debtors") in the above-captioned chapter 11 cases (the "Chapter 11 Cases"), at the direction of the special committee of the boards of directors (the "Special Committee") of LightSquared Inc. and LightSquared GP Inc., at the status conference held before this Court on November 25, 2013 (the "Conference") for entry of an order modifying certain of the hearing dates and deadlines established by the (i) *Order Scheduling Certain Hearing Dates and Establishing Deadlines in Connection with Chapter 11 Plan Process* [Docket No. 772] (the "Scheduling Order"), (ii) *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* [Docket No. 892] (the "Bid Procedures Order"), and (iii) *Order (I) Approving*

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



Disclosure Statements, (II) Approving Solicitation and Notice Procedures with Respect to Confirmation of Competing Plans, (III) Approving Forms of Various Ballots and Notices in Connection Therewith, (IV) Approving Scheduling of Certain Dates in Connection with Confirmation of Competing Plans, and (V) Granting Related Relief [Docket No. 936] (the “Disclosure Statement Order”) due to the current facts and circumstances in these Chapter 11 Cases; and responses to the Motion having been orally presented to the Court at the Conference by (x) U.S. Bank National Association and MAST Capital Management, LLC, on behalf of itself and its management funds and accounts, (y) the ad hoc secured group of Prepetition LP Lenders,² and (z) L-Band Acquisition Corp. and SP Special Opportunities, LLC (together, the “Responses”); and the Court having considered the Motion and the Responses and having heard arguments with respect to the Motion and the Responses at the Conference; and it appearing, and the Court having found, that the relief requested in the Motion is in the best interests of LightSquared, its estates, its creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor, it is hereby **ORDERED** that:

1. The Scheduling Order, Bid Procedures Order, and Disclosure Statement Order are modified to the extent set forth herein.
2. The following modified dates are established in the Chapter 11 Cases:
 - (a) Bid Deadline for Harbinger Capital Partners, LLC and/or its non-Debtor affiliates and subsidiaries only: November 26, 2013 at 4:00 p.m. (prevailing Eastern time).

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the (a) *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], (b) *Final Order, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, and 507, (A) Authorizing Inc. Obligors To Obtain Postpetition Financing, (B) Granting Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 224], (c) Bid Procedures Order, and (d) Disclosure Statement Order, as applicable.

- (b) Deadline for Harbinger Capital Partners, LLC to submit a revised chapter 11 plan and accompanying disclosure statement: December 11, 2013.
- (c) Deadline by which LightSquared shall notify the Qualified Bidders of the Qualified Bid or Bids it believes to represent the then highest or otherwise best bid(s):³ December 5, 2013 at 12:00 p.m. (prevailing Eastern time).
- (d) Auction: Shall commence on December 11, 2013 at 10:00 a.m. (prevailing Eastern time) and shall conclude by such date.⁴
- (e) Deadline for Debtors to disclose (i) the proposed transaction, if any, to be implemented under the Debtors' existing chapter 11 plan and (ii) modifications, if any, to the Debtors' existing chapter 11 plan and accompanying disclosure statement: December 24, 2013 at 5:00 p.m. (prevailing Eastern time).
- (f) Plan Supplement Date: December 30, 2013 at 4:00 p.m. (prevailing Eastern time).
- (g) Plan Objection Deadline, Highest Bidder Objection Deadline, and Financial Wherewithal Objection Deadline: December 30, 2013 at 4:00 p.m. (prevailing Eastern time).
- (h) Voting Deadline: December 30, 2013 at 4:00 p.m. (prevailing Pacific time).
- (i) Pre-Trial Conference: January 3, 2013 at 10:00 a.m. (prevailing Eastern time) subject to the Court's calendar.
- (j) Deadline to submit Voting Report: January 3, 2014 at 4:00 p.m. (prevailing Eastern time).
- (k) Deadline to submit confirmation briefs in support of chapter 11 plan(s) and in response to Plan Objections, Highest Bidder Objections, and Financial Wherewithal Objections: January 7, 2014 at 9:00 p.m. (prevailing Eastern time).

³ Notwithstanding the foregoing, the rights of the Special Committee to determine that no Qualified Bid is the highest or otherwise best bid are fully preserved.

⁴ Notwithstanding the commencement and conclusion of the Auction and the selection at the Auction of the highest and otherwise best bid(s) for LightSquared's Assets, or any grouping or subset thereof, all rights of the Special Committee to pursue alternative transactions (consistent with its fiduciary obligations) are fully preserved.

(l) Confirmation Hearing: January 9, 2014 at 10:00 a.m. (prevailing Eastern time).⁵

3. The dates in this Order may be adjourned or continued from time to time by the Court upon further notice (either announced in open court or by a notice of adjournment filed with, and at the direction of, the Court and served in accordance with the *Order Establishing Certain Notice, Case Management, and Administrative Procedures* [Docket No. 121]). Any party's request to adjourn the dates set forth herein shall, to the extent practicable, be on notice (including shortened notice) for cause shown.

4. The Court retains jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Order.


Dated: December 3, 2013
New York, New York

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

⁵ The deadlines set forth in subparagraphs (f)-(l) in this paragraph 2 shall apply only to chapter 11 plans currently on file and shall not apply to any chapter 11 plans that are filed or materially modified after the date hereof, as to which all parties reserve their rights under the Bankruptcy Code and Bankruptcy Rules.

TAB B

Exhibit "B" to the Affidavit of Elizabeth Creary,
sworn before me this 18th day of December, 2013.



Commissioner for Taking Affidavits, etc.

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

Matthew S. Barr
Alan J. Stone
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

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

In re:	)	Chapter 11
)	
LIGHTSQUARED INC., <i>et al.</i>,	)	Case No. 12-12080 (SCC)
)	
Debtors. ¹	)	Re: Docket No. 544
)	
	)	Jointly Administered

**LIGHTSQUARED'S MOTION FOR ENTRY OF ORDER EXTENDING
USE OF PREPETITION LP LENDERS' CASH COLLATERAL**

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



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LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, "LightSquared" or the "Debtors") in the above-captioned chapter 11 cases (the "Chapter 11 Cases"), at the request, direction, and with the full support of the special committee of the boards of directors (the "Special Committee") for LightSquared Inc. and LightSquared GP Inc., file this motion (the "Motion")² for entry of an order (the "Order"), pursuant to sections 105, 361, 362, 363, 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") amending the *Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 544] (the "First Amended Cash Collateral Order") to permit the LP Obligors (as defined below) to continue to use the cash collateral of the Prepetition LP Lenders to operate LightSquared LP, ATC Technologies, LLC, LightSquared Corp., LightSquared Inc. of Virginia, LightSquared Subsidiary LLC, LightSquared Finance Co., LightSquared Network LLC, Lightsquared Bermuda Ltd., SkyTerra Holdings (Canada) Inc., and SkyTerra (Canada) Inc. (collectively, the "LP Debtors") until February 28, 2014. In support of this Motion, LightSquared respectfully states as follows:³

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the (a) First Amended Cash Collateral Order (as defined below) or (b) *Final Order, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, and 507, (A) Authorizing Inc. Obligors To Obtain Postpetition Financing, (B) Granting Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 224] (as amended, supplemented, restated, or otherwise modified, the "DIP Order"), (c) Bid Procedures Order (as defined below), and (d) Disclosure Statement Order (as defined below), as applicable.

³ In further support of this Motion, LightSquared and the Special Committee submit the declaration[s] of (a) Marc R. Montagner (the "Montagner Declaration") and (b) Mark S. Hootnick (the "Hootnick Declaration").

Preliminary Statement

1. A final resolution of LightSquared's Chapter 11 Cases is now within sight. On November 25, 2013, this Court held a status conference (the "November Status Conference") with LightSquared, the Special Committee, and certain other interested parties in these Chapter 11 Cases to evaluate certain of the hearing dates and deadlines that had previously been scheduled with respect to LightSquared's auction and the Chapter 11 Cases (collectively, the "Chapter 11 Timeline"). After lengthy discussion with, and input from, all of the parties – including (a) the Special Committee, (b) U.S. Bank and MAST, (c) the ad hoc secured group of Prepetition LP Lenders (the "Ad Hoc Secured LP Group"), and (d) L-Band Acquisition Corp. ("LBAC") – this Court came to a determination that, among other things, a brief delay of the auction of LightSquared's assets (the "Auction") and the confirmation hearing in these Chapter 11 Cases (the "Confirmation Hearing") was warranted, appropriate, and – most importantly – achievable given the current facts and circumstances in these Chapter 11 Cases. Thus, on December 3, 2013, this Court entered the Modified Scheduling Order (as defined below) which, among other things, rescheduled the Auction to December 11, 2013 and the Confirmation Hearing to commence on January 9, 2014.

2. As LightSquared and the Special Committee previewed to the Court at the November Status Conference, this Court's brief postponement of the Confirmation Hearing to January 9, 2014 extends past December 31, 2013 – the date which marks the end of the LP Obligors' ability to use the Prepetition LP Lenders' Cash Collateral (as defined below) on a consensual basis. LightSquared accordingly sought the consent of the Ad Hoc Secured LP Group to extend the LP Obligors' use of the Prepetition LP Lenders' Cash Collateral on the same terms and conditions as set forth in the First Amended Cash Collateral Order, including, as adequate protection, the continued monthly payment of \$6.25 million. LightSquared intends to

continue such discussions with the Ad Hoc Secured LP Group. However, in the event that it is unable to obtain such consent, LightSquared is fully prepared to prosecute this Motion on a non-consensual basis.⁴

3. LightSquared currently has sufficient cash on hand into February 2014 to cover not only the operations of the LP Debtors' Chapter 11 Cases, but also, the continued monthly adequate protection payments of \$6,250,000 to the Prepetition LP Lenders. This availability of cash is due to the efficient manner in which LightSquared's management team has conducted its businesses throughout these Chapter 11 Cases. It is and not – contrary to repeated suggestions by the Ad Hoc Secured LP Group – a result of delays in making capital expenditure payments. For example, when it filed its *Motion of Debtors for Interim and Final Orders (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, (C) Modifying Automatic Stay and (D) Scheduling Interim and Final Hearings* [Docket No. 13] (the "Initial Cash Collateral Motion"), LightSquared originally projected that its financial runway would extend until June 2013. However, by the time it filed its *Motion for Entry of 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. 485], LightSquared, after implementing a number of successful cost-cutting measures, had been able to

⁴ In addition, LightSquared Inc., One Dot Four Corp., One Dot Six Corp., and One Dot Six TVCC Corp. (collectively, the "Inc. Obligors") have received consent from U.S. Bank National Association ("U.S. Bank") and MAST Capital Management, LLC (on behalf of itself and its management funds and accounts, collectively, "MAST") to further extend the maturity date of (a) that certain Senior Secured, Super-Priority Debtor-in-Possession Credit Agreement, dated as of July 19, 2012 (as amended, supplemented, amended and restated, or otherwise modified from time to time, the "DIP Credit Agreement") and (b) the DIP Order from December 31, 2013 to the earlier of (i) entry of an order confirming a chapter 11 plan for the Inc. Obligors and (ii) January 31, 2014. In connection therewith, U.S. Bank and MAST have also consented to the Inc. Obligors' continued use of the Prepetition Inc. Collateral on the same terms and conditions as set forth in the DIP Order until the earlier of (i) entry of an order confirming a chapter 11 plan for the Inc. Obligors and (ii) January 31, 2014.

preserve sufficient funds at the estates comprising the LP Group⁵ to fund (with the use of unencumbered cash at TMI Communications Delaware, Limited Partnership (“TMI”)) into approximately January 2014 and the estates comprising the Inc. Group⁶ (excluding TMI) through the then maturity of the DIP Inc. Facility, November 15, 2013. As a result of continued and effective efforts to manage its operations in the most efficient and value-maximizing way, LightSquared has updated its financial forecasts once more and has determined that its liquidity runway – including its ability to continue making monthly adequate protection payments to the Prepetition LP Lenders – will now extend into February 2014.

4. The Prepetition LP Lenders are adequately protected by ongoing monthly adequate protection payments as well as a significant equity cushion evidenced by the bids, including LBAC’s \$2.22 billion floor bid, submitted for the LP Assets (as defined below) – which assets have continued to appreciate in value throughout these Chapter 11 Cases. Furthermore, pursuant to the Initial Cash Collateral Order and the Amended Cash Collateral Order (each as defined below), the Prepetition LP Lenders are additionally protected by the LP Adequate Protection Liens and the LP Section 507(b) Claims). Thus, the Prepetition LP Lenders are not prejudiced in any manner by this requested additional extension of the use of the Prepetition LP Lenders’ Cash Collateral through February 28, 2014.

⁵ The “LP Group” consists of the following Debtor entities: 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., and Lightsquared Bermuda Ltd.

⁶ The “Inc. Group” consists of the following Debtor entities: LightSquared Inc., LightSquared Investors Holdings Inc., One Dot Six Corp., One Dot Four Corp., SkyTerra Rollup LLC, SkyTerra Rollup Sub LLC, SkyTerra Investors LLC, TMI Communications Delaware, Limited Partnership, LightSquared GP Inc., and One Dot Six TVCC Corp.

5. In light of the foregoing, LightSquared respectfully submits that an extension of the LP Obligors' ability to use the Prepetition LP Lenders' Cash Collateral until February 28, 2014 is entirely appropriate and necessary given the current circumstances.

Jurisdiction

6. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

7. Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

8. The statutory bases for the relief requested herein are sections 105, 361, 362, 363, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001 and 9014, and Local Rule 4001-2.

Summary of Relief Requested

9. Pursuant to Bankruptcy Rules 4001(b) and (d) and Local Rule 4001-2, the material terms pursuant to which the LP Obligors propose to use the Prepetition LP Lenders' Cash Collateral are the same as the terms currently set forth in the First Amended Cash Collateral Order, with the only exception being the extension of the date upon which the consensual use of Cash Collateral terminates (barring the occurrence of any other LP Termination Event).⁷

Background

10. On May 14, 2012, LightSquared filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

11. LightSquared continues to operate its businesses and manage its properties as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No

⁷ This statement is qualified in its entirety by reference to the provisions of the Order. To the extent that there is any conflict between this Motion and the Order, the Order shall control.

official committee has been appointed in the Chapter 11 Cases. No trustee or examiner has been appointed in the Chapter 11 Cases.

Background to Motion

A. LightSquared LP Facility

12. Certain of the Debtors are party to that certain Credit Agreement, dated as of October 1, 2010 (as amended, supplemented, amended and restated, or otherwise modified from time to time, the "Prepetition LP Credit Agreement"), between LightSquared LP, as borrower, LightSquared Inc. and the other parent guarantors party thereto, namely LightSquared Investors Holdings Inc., LightSquared GP Inc. and TMI Communications Delaware, Limited Partnership (collectively, the "Prepetition LP Parent Guarantors"), the subsidiary guarantors party thereto, namely ATC Technologies, LLC, LightSquared Corp., LightSquared Inc. of Virginia, LightSquared Subsidiary LLC, SkyTerra Holdings (Canada) Inc. and SkyTerra (Canada) Inc. (collectively, the "Prepetition LP Subsidiary Guarantors" and, collectively with LightSquared LP and the Prepetition LP Parent Guarantors, the "LP Obligors"), the lenders party thereto (the "Prepetition LP Lenders"), UBS AG, Stamford Branch, as administrative agent (in such capacity, and together with Wilmington Trust FSB,⁸ the "Prepetition LP Agent"), and other parties thereto, under which the Prepetition LP Lenders provided term loans in the aggregate principal amount of \$1,500,000,000 (the "Prepetition LP Credit Facility").

13. Amounts outstanding under the Prepetition LP Credit Facility (the "Prepetition LP Obligations") are allegedly secured by a first-priority security interest in (a) substantially all of the assets of LightSquared LP and the Prepetition LP Subsidiary

⁸ Wilmington Trust FSB serves as collateral trustee pursuant to that certain Collateral Trust Agreement, dated as of October 1, 2010 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "LP Collateral Trust Agreement"), between LightSquared LP, UBS AG, Stamford Branch, and Wilmington Trust FSB.

Guarantors, (b) the equity interests of LightSquared LP and the Prepetition LP Parent Guarantors (except LightSquared Inc.), (c) the equity interests of the Prepetition LP Subsidiary Guarantors, and (d) the rights of LightSquared Inc. under and arising out of the Inmarsat Cooperation Agreement (collectively, the “Prepetition LP Collateral”).⁹

14. As of the Petition Date, an aggregate amount of approximately \$1,700,571,106¹⁰ was outstanding under the Prepetition LP Credit Facility.

B. LightSquared’s Use of Cash Collateral

15. To address their working capital needs and fund their reorganization efforts, the LP Obligors required authorization to continue to use cash collateral (as such term is defined in section 363 of the Bankruptcy Code (the “Cash Collateral”)) of the Prepetition LP Lenders. Such relief was also necessary to ensure that the LP Obligors could continue to operate in the ordinary course during the Chapter 11 Cases. Thus, on June 13, 2012, the LP Obligors sought, negotiated, and received approval to (a) consensually use, through June 13, 2013, cash collateral of the Prepetition LP Lenders for working capital and general corporate purposes, permitted payments of costs of administration of the Chapter 11 Cases, and payment of certain prepetition expenses as approved by this Court and (b) grant certain adequate protection to the

⁹ 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 the terms thereof validly prohibit the creation by the pledgor thereof of a security interest in such permit, license or other agreement; (b) property subject to any purchase money or vendor financing if the contract or other agreement in which such lien is granted validly prohibits the creation of any other lien on such property; (c) property subject to any capital lease; (d) any intent-to-use trademark application to the extent a security interest therein would result in the loss by the pledgor thereof of any material rights therein; (e) certain deposit and securities accounts securing currency hedging or credit card vendor programs or letters of credit provided to vendors in the ordinary course of business; (f) equity interests in (i) excess of 66% in non-U.S. subsidiaries held by a U.S. subsidiary, (ii) LightSquared Network LLC and (iii) any joint venture or similar entity to the extent the terms of such investment restrict such security interest; and (g) any consumer goods subject to the Canadian Security Agreement (as defined in the Prepetition LP Credit Agreement) (collectively, the “Prepetition LP Excluded Collateral”).

¹⁰ LightSquared reserves all of its rights to object to the total amounts owing under the Prepetition LP Credit Facility, including with respect to post-petition interest, the interest rate to be used, and make whole amounts.

Prepetition LP Lenders in exchange therefor [Docket No. 136] (the “Initial Cash Collateral Order”). The Initial Cash Collateral Order was subsequently amended on February 19, 2013 by the First Amended Cash Collateral Order to permit consensual use of the Prepetition LP Lenders’ Cash Collateral through December 31, 2013.

16. Pursuant to the Initial Cash Collateral Order and the First Amended Cash Collateral Order, the LP Obligors have at all times paid the Prepetition LP Agent, for the benefit of the Prepetition LP Lenders, a monthly cash interest payment in the amount of \$6,250,000 (the “Adequate Protection Payments”). LightSquared believes that it has sufficient funds, and plans to continue, to make such Adequate Protection Payments to the Prepetition LP Agent for the benefit of the Prepetition LP Lenders into February 2014.

C. Establishment of Chapter 11 Timeline

17. On July 24, 2013, the Court entered the *Order Scheduling Certain Hearing Dates and Establishing Deadlines in Connection with Chapter 11 Plan Process* [Docket No. 772] (the “Scheduling Order”) which, among other things, initially set (a) December 6, 2013 as the deadline for the conclusion of any Auction for LightSquared’s Assets and (b) December 10, 2013 at 10:00 a.m. (prevailing Eastern time) for the Confirmation Hearing.

18. On October 1, 2013, the Court entered the *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* [Docket No. 892] (the “Bid Procedures Order”). The Bid Procedures Order, among other things, (a) established bid procedures (the “Bid Procedures”) for the sale(s) of all or substantially all of the assets of LightSquared, or any grouping or subset thereof, including authorizing LightSquared to grant bidder protections in connection with such sale, and (b) authorized and

scheduled a date and time to hold an Auction to solicit higher or otherwise better bids for LightSquared's Assets. Under the Bid Procedures, the following qualified bids for certain of LightSquared's Assets were also established as stalking horse bids:¹¹

- LBAC Bid. LBAC has submitted a stalking horse bid (the "LBAC Bid") for the LP Assets¹² comprised of \$2.22 billion in cash (the funding of which is not conditioned on any regulatory approvals by the FCC or Industry Canada) *plus* the assumption of certain liabilities. To the extent the LBAC Bid represents a Second-Highest Bid under the Bid Procedures, LBAC has agreed to serve as the Second-Highest Bidder for the LP Assets and to permit the LBAC Bid to remain irrevocable until the earlier of sixty (60) days after entry of the Confirmation Order(s) and February 15, 2014.¹³
- MSAC Bid. Mast Spectrum Acquisition Corp. and/or one or more of its affiliates or designees ("MSAC") has submitted a stalking horse bid comprised of all obligation owing under the DIP Credit Agreement *plus* \$1.00 of obligations owing under the Inc. Facility Credit Agreement held by MAST *plus* cash in the amount necessary to satisfy obligations under any chapter 11 plan that is required to be paid in cash.

19. On October 10, 2013, the Court entered the *Order (I) Approving Disclosure Statements, (II) Approving Solicitation and Notice Procedures with Respect to Confirmation of Competing Plans, (III) Approving Forms of Various Ballots and Notices in Connection Therewith, (IV) Approving Scheduling of Certain Dates in Connection with*

¹¹ Additionally, on September 25, 2013, this Court entered an order authorizing, among other things, the reimbursement of all reasonable and document costs, fees, and expenses of LBAC (capped at \$2,000,000) and MSAC in connection with their respective proposed stalking horse bids [Docket No. 880].

¹² "LP Assets" means substantially all of the assets of the LP Debtors. As the Court is well aware, LBAC is not interested in LightSquared's downlink channels or resolution on the series of applications LightSquared has filed with the Federal Communications Commission (the "FCC") seeking to modify various of its licenses (collectively, the "License Modification Application") to (a) authorize LightSquared to use the 1675 – 1680 MHz spectrum band on a shared basis with certain government users, including the National Oceanic and Atmospheric Administration, (b) permit LightSquared to conduct terrestrial operations "pairing" the 1670-1680 MHz downlink band with two (2) 10 MHz L-band uplink channels in which LightSquared currently is authorized to operate, and (c) permanently relinquish its right to use the upper 10 MHz of L-band downlink spectrum for terrestrial purposes (that portion of the spectrum closest to the band designated for GPS devices). LBAC is only interested in LightSquared's uplink channels.

¹³ LightSquared recognizes that, under the plan support agreement filed by the Ad Hoc Secured LP Group on July 23, 2013 with respect to Ad Hoc Secured LP Group's proposed plan for the LP Debtors [Docket No. 765] (the "PSA"), LBAC is entitled to terminate its obligations under the PSA if, among other things, such plan is not consummated on or before December 31, 2013.

Confirmation of Competing Plans, and (V) Granting Related Relief [Docket No. 936] (the “Disclosure Statement Order”). The Disclosure Statement Order approved, among other things, the scheduling of certain hearing dates and deadlines in connection with LightSquared’s Chapter 11 Timeline. On December 3, 2013, due to the current facts and circumstances in these Chapter 11 Cases, the Court entered the *Order Modifying Previously Scheduled Hearing Dates and Deadlines in Connection with Chapter 11 Plan Process* [Docket No. 1061] (the “Modified Scheduling Order”). The Modified Scheduling Order, among other things, modified the Scheduling Order, the Bid Procedures Order, and the Disclosure Statement Order to establish new dates and other deadlines in connection with the Chapter 11 Timeline. In particular, the Modified Scheduling Order rescheduled, among other things, (a) December 11, 2013 as the date of the Auction for LightSquared’s assets and (b) January 9, 2014 at 10:00 a.m. (prevailing Eastern time) as the commencement of the Confirmation Hearing.

D. Need for Use of Cash Collateral

20. In light of the Modified Scheduling Order, the Confirmation Hearing is now scheduled to commence on January 9, 2014, which is after the date upon which the consensual use of the Prepetition LP Lenders’ Cash Collateral is currently set to expire. Therefore, to continue to address their working capital needs and fund their reorganization efforts, the LP Obligors require authorization to continue to use the Prepetition LP Lenders’ Cash Collateral. The LP Obligors have, at the direction of the Special Committee and with the assistance of LightSquared’s financial advisor, Moelis & Company LLC (“Moelis” or the “Financial Advisor”), analyzed their cash needs in an effort to determine what is necessary to maintain their operations to complete a successful exit from chapter 11. In undertaking this analysis, the LP Obligors, the Special Committee, and their respective advisors considered the

impact of the current economic outlook on the LP Obligors' near-term projected financial performance, as well as the bids that have been submitted for purchase of certain of LightSquared's Assets at the upcoming Auction.

21. Absent approval of the LP Obligors' use of Cash Collateral, the LP Obligors' financial analysis and projections make clear that, with a monthly burn rate of approximately \$20 million – which includes the monthly payment of \$6.25 million to the Prepetition LP Lenders – LightSquared's current unencumbered cash on hand and minimal unencumbered cash generated from its operations would be insufficient to preserve and maintain the LP Obligors' value for the benefit of all parties in interest – and particularly the Prepetition LP Lenders. As their exit from chapter 11 draws near, the LP Obligors need to ensure that working capital is immediately available for their use to properly bring closure to these Chapter 11 Cases.

22. As they have done since the entry of the Initial Cash Collateral Order, the LP Obligors have agreed to continue to use Cash Collateral in accordance with a budget (the "Budget"), attached as Schedule 1 to the Order, developed by LightSquared, in consultation with Moelis. LightSquared believes that the Budget is achievable and will continue to allow the LP Obligors to operate without the accrual of unpaid administrative expenses.

E. Adequate Protection

23. Pursuant to sections 361 and 363(e) of the Bankruptcy Code, the Prepetition LP Agent, on behalf of the Prepetition LP Lenders, is entitled to adequate protection for any diminution in value of its respective interests in the Cash Collateral. As discussed below, the Prepetition LP Lenders are already adequately protected – first, by a significant equity cushion on assets that have only continued to appreciate in value since the commencement of

these Chapter 11 Cases and second, by bids (including LBAC's \$2.22 billion floor bid) for the LP Assets that serve to protect the Prepetition LP Lenders' downside. Furthermore, pursuant to the Initial Cash Collateral Order and the First Amended Cash Collateral Order, LightSquared has provided adequate protection in the form of (a) Adequate Protection Liens and 507(b) Claims (each as defined in the First Amended Cash Collateral Order) to the Prepetition LP Agent, on behalf of the Prepetition LP Lenders, and (b) substantial ongoing monthly Adequate Protection Payments to the Prepetition LP Agent, for the benefit of the Prepetition LP Lenders, which payment includes all reasonable, actual, and documented fees and expenses incurred or accrued by the Prepetition LP Agent and the Ad Hoc Secured LP Group. To date, the LP Obligors have paid to the Prepetition LP Agent for the benefit of the Prepetition LP Lenders an aggregate amount of \$112,500,000 in Adequate Protection Payments. LightSquared proposes to continue to make the Adequate Protection Payments to the Prepetition LP Agent and believes that such payment, along with all of the foregoing adequate protection that has already been provided, forestalls any argument that the Prepetition LP Lenders are not adequately protected.

Relief Requested

24. LightSquared respectfully requests that the Court enter the Order, pursuant to sections 105(a), 361, 362, 363, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 9014, and Local Rule 2002-4, extending the date through which the LP Obligors may use the Prepetition LP Lenders' Cash Collateral to February 28, 2014.

Basis for Relief

A. Extended Use of Cash Collateral Should Be Approved

25. Section 363(c)(2) of the Bankruptcy Code provides that a debtor may not use, sell, or lease cash collateral unless "(A) each entity that has an interest in such cash collateral consents; or (B) the court, after notice and a hearing, authorizes such use, sale, or lease

in accordance with the provisions of this section.” 11 U.S.C. § 363(c)(2). If an entity with an interest in cash collateral objects to the use of cash collateral, the court must ensure that such entity is adequately protected for the diminution in the value of its interest in the cash collateral. See 11 U.S.C. 363(e) (“[O]n request of an entity that has an interest in property used . . . the court, with or without a hearing, shall prohibit or condition such use . . . as is necessary to provide adequate protection of such interest”). Courts must therefore balance the sufficiency of the protection a debtor seeks to provide an entity with an interest in the cash collateral with such debtor’s need to use the cash in its reorganization effort. See Stein v. U.S. Farmers Home Admin. (In re Stein), 19 B.R. 458, 459 (Bankr. E.D. Pa. 1982) (approving use of cash collateral over objection of secured parties).

26. Consistent with these requirements, courts repeatedly have recognized that the use of cash collateral is appropriate where necessary to preserve a debtor’s ability to reorganize and thus maximize the value of an estate for all interested parties. See, e.g., In re Dynaco Corp., 162 B.R. 389, 394 (Bankr. D.N.H. 1993) (granting motion for use of cash collateral and stating that “the purpose of Chapter 11 is to rehabilitate debtors and generally access to cash collateral is necessary in order to operate a business”) (citing In re Stein, 19 B.R. at 459); Chrysler Credit Corp. v. George Ruggiere Chrysler-Plymouth, Inc. (In re George Ruggiere Chrysler-Plymouth, Inc.), 727 F.2d 1017, 1019 (11th Cir. 1984) (approving use of cash collateral over objection of secured parties after noting that “[w]ithout the availability of cash to meet daily operating expenses such as rent, payroll, utilities, etc., the congressional policy favoring rehabilitation over economic failure would be frustrated”); MBank Dallas, N.A. v. O’Connor (In re O’Connor), 808 F.2d 1393, 1398-99 (10th Cir. 1987) (permitting debtor to use cash collateral over objection of secured parties to expand operations after finding there was only

a low risk that secured creditor's interest would diminish); In re Stein, 19 B.R. at 459 (granting cash collateral motion over the objection of secured parties and declaring that access to cash is imperative for debtor to operate its business); Skilled Nursing Prof'l Servs. v. Sacred Heart Hosp. of Norristown (In re Sacred Heart Hosp. of Norristown), 175 B.R. 543, 546 (Bankr. E.D. Pa. 1994) (noting court's previously entered order authorizing debtor's use of cash collateral was "in order to preserve its assets . . . for sale"); In re Tridimension Energy, L.P., Case No. 10-33565 (SGJ), 2010 Bankr. LEXIS 4828, at *13, (Bankr. N.D. Tex. Oct. 18, 2010) (granting cash collateral motion over objection of debtors' lenders because "without the use of Cash Collateral, the Debtors will not have[, among other things,] the funds necessary to maintain their assets [and] sell or otherwise liquidate their assets").

27. The LP Obligors, at the direction of the Special Committee, have determined, in the exercise of their business judgment and in consultation with their advisors, that they require the use of Cash Collateral to successfully exit from chapter 11. The LP Obligors propose to use Cash Collateral pursuant to the terms and conditions set forth in the Order and in accordance with the Budget and to adequately protect the Prepetition LP Agent and the Prepetition LP Lenders from diminution in the value of their interests in the Cash Collateral. LightSquared submits that, under these circumstances, the terms and conditions contained in the Order and the Budget are fair and reasonable and in the best interests of the LP Obligors' estates and creditors, and thus the LP Obligors' request to use the Prepetition LP Lenders' Cash Collateral should be approved.

28. LightSquared has attempted, and will continue to attempt, to obtain the consent of the Ad Hoc Secured LP Group to the LP Obligors' use of Cash Collateral on the terms proposed herein and as set forth in the Order. The Prepetition LP Lenders are more than

adequately protected for such use, however, if consent cannot be obtained. Moreover, the only alternative to the LP Obligors' use of Cash Collateral – the immediate liquidation of their assets – would be catastrophic for both LightSquared and the Prepetition LP Lenders given that an orderly conclusion to these Chapter 11 Cases is well within sight and is scheduled to begin on a date certain (i.e., at the January 9, 2014 Confirmation Hearing). LightSquared thus respectfully requests that the Court authorize the LP Obligors to use the Prepetition LP Lenders' Cash Collateral pursuant to section 363(c)(2) of the Bankruptcy Code and in accordance with the terms set forth in the Order, notwithstanding the Prepetition LP Lenders' objection to such use.

B. Interests of Prepetition LP Lenders in Cash Collateral Are Adequately Protected

29. Section 361 of the Bankruptcy Code, which governs adequate protection, makes clear that adequate protection guards against “a decrease in the value of . . . [the lienholders'] interest in” the collateral:

When adequate protection is required under section 362, 363, or 364 of this title of an interest of an entity in property, such adequate protection may be provided by –

- (1) requiring the trustee to make a cash payment or periodic cash payments to such entity, to the extent that the stay under section 362 of this title, use, sale, or lease under section 363 of this title, or any grant of a lien under section 364 of this title results in a decrease in the value of such entity's interest in such property;
- (2) providing to such entity an additional or replacement lien to the extent that such stay, use, sale, lease, or grant results in a decrease in the value of such entity's interest in such property; or
- (3) granting such other relief, other than entitling such entity to compensation allowable under section 503(b)(1) of this title as an administrative expense, as will result in the realization by such entity of the indubitable equivalent of such entity's interest in such property.

11 U.S.C. § 361; see also In re Gallegos Research Group, Corp., 193 B.R. 577, 584 (Bankr. D.

Col. 1995) (approving use of cash collateral over objection of secured parties after observing that “[w]here a debtor desires to use cash collateral, a court must determine the value of the creditor's

interest in the cash collateral and whether the debtor's proposed use of cash collateral would impair that interest, and to what extent adequate protection is required").

30. Courts have recognized that "[a]n adequate 'cushion' can itself constitute adequate protection with nothing more." In re Tucker, 5 B.R. 180, 182 (Bankr. S.D.N.Y. 1980); see also In re Mellor, 734 F.2d 1396, 1400 (9th Cir. 1984) (holding that existence of equity cushion is "the classic form of protection for a secured debt"); In re Phoenix Steel Corp., 39 B.R. 218, 224 (D. Del. 1984) ("It is clear that if a sufficient equity cushion exists [a creditor's] security would not be impaired and they would be adequately protected."); Mut. Life Ins. Co. of NY v. Patrician St. Joseph Partners Ltd. P'ship (In re Patrician St. Joseph Partners Ltd. P'ship), 169 B.R. 669, 677 (D. Ariz. 1994) ("A classic method for finding adequate protection is the existence of an equity cushion. In fact, it has been found that an equity cushion standing alone can provide evidence of adequate protection for a secured claim." (citations omitted)); Oligbo v. Louis (In re Oligbo), 328 B.R. 619, 651 (Bankr. E.D.N.Y. 2005) ("courts have . . . held that a secured creditor is adequately protected where the value of the property is significantly more than the amount of the secured creditor's claim – that is, that an equity cushion adequately protects the secured creditor's interest").

31. In any event, adequate protection can be provided in various forms, including the payment of fees and the granting of replacement liens and administrative claims, see Bank of N.Y. Trust Co. NA v. Pac. Lumber Co. (In re Scopac), 624 F.3d 274, 278 n.1 (5th Cir. 2010) (noting that "adequate protection . . . in short, it is a payment, replacement lien, or other relief sufficient to protect the creditor against diminution in the value of his collateral during the bankruptcy" while approving use of cash collateral over objection of secured parties), and what constitutes adequate protection is decided on a case-by-case basis. See In re Realty

Sw. Assocs., 140 B.R. 360, 366 (Bankr. S.D.N.Y. 1992) (holding that “adequate protection is a question of fact because it has as its linchpin the concept of value, and therefore is determined on a case-by-case basis” while approving use of cash collateral over objection of secured parties (citation omitted)); In re Beker Indus. Corp., 58 B.R. 725, 736 (Bankr. S.D.N.Y.), rev’d on other grounds, 89 B.R. 336 (S.D.N.Y. 1988) (application of adequate protection “is left to the vagaries of each case, but its focus is protection of the secured creditor from diminution in the value of its collateral during the reorganization process” (citation omitted)). In so deciding, courts should take equitable considerations into account. See In re Dynaco Corp., 162 B.R. at 394 (“Adequate protections will take many forms, only some of which are set forth in section 361 of the Bankruptcy Code . . . and must be determined based upon equitable considerations arising from the particular facts of each proceeding.”); In re Stein, 19 B.R. at 459 (“The equities in each case must be weighed in striking a balance.”).

32. Although the consensual use of the Prepetition LP Lenders’ Cash Collateral is set to expire on December 31, 2013, LightSquared believes that the Prepetition LP Lenders are nonetheless adequately protected against any diminution in value of their respective interests in the Prepetition LP Collateral through February 28, 2014 and, therefore, will not be harmed by an extension of the use of Cash Collateral to support the Court’s brief adjournment of the Confirmation Hearing to January 9, 2014. As LightSquared has maintained since the commencement of the Chapter 11 Cases, the LP Obligors are adequately protected by an equity cushion and by bids submitted in connection with the Auction, including, in a worst case scenario, the \$2.22 billion LBAC Bid for the LP Assets. The Prepetition LP Lenders are thus not entitled to any grants of additional adequate protection.

33. Nevertheless, throughout these Chapter 11 Cases, LightSquared has also taken additional measures to eliminate any concerns that the Prepetition LP Lenders are not adequately protected. First, the Prepetition LP Lenders have been, and continue to be, adequately protected by the LP Adequate Protection Liens and the LP Section 507(b) Claims granted under the Initial Cash Collateral Order and the Amended Cash Collateral Order, respectively. Second, LightSquared has been making monthly Adequate Protection Payments of \$6,250,000 to the Prepetition LP Agent, for the benefit of the Prepetition LP Lenders, since July 1, 2012. Such Adequate Protection Payments have been inclusive of interest and payment of all reasonable, actual, and documented fees and expenses incurred or accrued by the Prepetition LP Agent and the Ad Hoc Secured LP Group. Third, LightSquared believes that it has sufficient funds to continue to make Adequate Protection Payments in cash to the Prepetition LP Agent, for the benefit of the Prepetition LP Lenders, into February 2014. The foregoing additional adequate protection is thus more than sufficient to permit the Court to authorize the LP Obligors' use of the Cash Collateral.

34. Accordingly, LightSquared respectfully submits that no parties will be harmed by the extension requested herein and that it is entirely appropriate to extend use of the Prepetition LP Lenders' Cash Collateral until February 28, 2014.

Motion Practice

35. This Motion includes citations to the applicable rules and statutory authorities upon which the relief requested herein is predicated and a discussion of their application to this Motion. Accordingly, LightSquared submits that this Motion satisfies Local Rule 9013-1(a).

Notice

36. LightSquared has caused notice of this Motion to be provided by electronic mail, facsimile, regular or overnight mail, and/or hand delivery to (a) the United States Trustee for the Southern District of New York, (b) the entities listed on the Consolidated List of Creditors Holding the 20 Largest Unsecured Claims filed pursuant to Federal Rule of Bankruptcy Procedure 1007(d), (c) counsel to the Special Committee, (d) counsel to the Prepetition Agents and the DIP Agent, (e) counsel to the Ad Hoc Secured LP Group, (f) counsel to Harbinger Capital Partners, LLC, (g) the Internal Revenue Service, (h) the United States Attorney for the Southern District of New York, (i) the FCC, (j) Industry Canada, and (k) all parties who have filed a notice of appearance in the Chapter 11 Cases. LightSquared respectfully submits that no other or further notice is required or necessary.

No Previous Request

37. Other than the Initial Cash Collateral Motion and the *Notice of Presentment of 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. 528], no prior motion for the relief requested herein has been made by LightSquared to this or any other court.

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WHEREFORE, for the reasons set forth above LightSquared respectfully requests that the Court (i) enter the Order, substantially in the form attached hereto as Exhibit A, granting the relief requested herein and (ii) grant such other and further relief as the Court may deem just and proper.

New York, New York
Dated: December 6, 2013

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

Counsel to Debtors and Debtors in Possession

Exhibit A

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. ¹⁴	)	Jointly Administered
)	

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

Upon the initial motion (the "Initial Motion")¹⁵ 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

¹⁴ 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.

¹⁵ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion and the First Amended Cash Collateral Order (as defined below), as applicable.

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

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

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

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

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

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

2. Paragraph 14(n) of the First Amended Cash Collateral Order is hereby amended in its entirety as follows: "February 28, 2014."

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

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

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

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

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

New York, New York
Date: December __, 2013

Honorable Shelley C. Chapman
United States Bankruptcy Judge

Schedule 1
Budget

LightSquared LP Standalone Monthly Cash Forecast

(\$ in 000s)

Month		Jan-14	Feb-14
Beginning Cash Balance		12,364	-
Sources			
	Satellite Revenue	2,018	1,382
	Terrestrial Revenue	-	-
	Interest Income	2	-
	Equity Financing	-	-
	Debt Financing	-	-
	Financing Fees	-	-
	Other	-	-
Total Sources		2,020	1,382
Uses (OPEX)	In-Orbit / Launch Insurance	-	-
	ISAT Coop Agmt	-	-
	L-Band network infrastructure	12	12
	ERP	22	88
	Spectrum Management	-	-
	Staffing Related (entire company)	2,611	5,808
	Legal / Regulatory / Lobbying / International	1,177	1,652
	Facilities/Telecom	658	658
	G&A	336	666
	Travel Expenses (entire company)	50	50
Other Items	1,350	968	
Subtotal - USES (OPEX)		6,215	9,901
Uses (CAPEX)	Boeing Payments	-	-
	Qualcomm	380	-
	Alcatel Lucent S-BTS	-	-
	1.6 GHz related (other than spectrum)	-	-
	Current Network Maintenance/Capex	-	370
Subtotal - USES (CAPEX)		380	370
Debt Service	Cash Interest	-	-
Restructuring Related	Restructuring Prof exclud W&C / Blackstone	1,882	3,729
	LP Adequate Protection Payments	6,250	6,250
Total Uses		14,728	20,249
LP Group Ending Cash Balance		-	-
TMI Beginning Cash Balance		11,457	11,113
Use of TMI Cash		(343)	(11,113)
TMI Ending Cash Balance		11,113	-
LP Group Ending Cash Balance including Cash at TMI		11,113	(7,754)

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 December 18, 2013)**

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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

**MOTION RECORD
(Returnable January 3, 2014)**

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