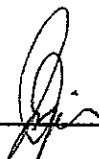


**TAB C**

Exhibit "C" to the Affidavit of Elizabeth Creary,  
sworn before me this 1st day of March, 2013.



---

Commissioner for Taking Affidavits, etc.

Jawald Panjwani, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires April 6, 2014

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

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

**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**

Upon the motion (the "Motion")<sup>2</sup> of LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, "LightSquared") in the above-captioned chapter 11 cases (the "Chapter 11 Cases"), for entry of an order (the "Order"), pursuant to section 1121(d) of the Bankruptcy Code, further extending LightSquared's Exclusive Periods to file a plan of reorganization and solicit acceptances thereof, all as more fully described in the Motion and at the Hearing (as defined below); and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and the Motion in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Motion appearing adequate and appropriate under the circumstances; and the Court having found

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

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



that no other or further notice is needed or necessary; and the ad hoc secured group of Prepetition LP Lenders (the “Ad Hoc Secured Group”) having timely filed an objection to the Motion [Docket No. 503] (the “Ad Hoc Secured Group Objection”); and 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”) having timely filed a statement in support of the Motion [Docket No. 500] (the “U.S. Bank/MAST Statement in Support”); and the ad hoc group of holders of, advisors or affiliates of advisors to holders of, or managers of various accounts that hold Series A Preferred Units of LightSquared LP (the “Ad Hoc Preferred LP Group”) having timely filed a statement in support of the Motion [Docket No. 501] (the “Ad Hoc Preferred LP Group Statement in Support”); and Harbinger Capital Partners LLC and certain of its managed and affiliated funds and wholly-owned subsidiaries, including HGW US Holding Company, L.P., Blue Line DZM Corp., and Harbinger Capital Partners SP, Inc. (collectively, “Harbinger” and, collectively with LightSquared, the Ad Hoc Secured Group, U.S. Bank, MAST, and the Ad Hoc Preferred LP Group, the “Parties”) having timely filed a reply to the Ad Hoc Secured Group Objection in support of the Motion [Docket No. 510] (the “Harbinger Reply”); and LightSquared having timely filed a reply in support of its Motion [Docket No. 509] (the “LightSquared Reply” and, collectively with the Ad Hoc Secured Group Objection, the U.S. Bank/MAST Statement in Support, the Ad Hoc Preferred LP Group Statement in Support, the Harbinger Reply, and the LightSquared Reply, the “Responses to the Motion”); and LightSquared and the Ad Hoc Secured Group having entered into that certain stipulation, as of February 13, 2013 (the “Stipulation”), attached hereto as Attachment A, setting forth certain terms upon which LightSquared and the Ad Hoc Secured Group have agreed to compromise and settle the issues raised by the Motion and the Ad Hoc Secured Group Objection; and U.S. Bank, as DIP Agent and Prepetition Inc.

Agent (each as defined in the DIP Order), MAST, as DIP Lender and Prepetition Inc. Lender (each as defined in the DIP Order), and Harbinger, as Prepetition Inc. Lender, having agreed to waive the Event of Default set forth in paragraph 24(j) of the DIP Order arising from termination of exclusivity on July 15, 2013; and Harbinger, U.S. Bank, MAST, and the Ad Hoc Preferred LP Group having received due and proper notice of the terms of this Order and the Stipulation, and having expressed no objection to the terms thereof; and the Court having reviewed the Motion, the Responses to the Motion, and the Stipulation and having heard statements in support of each at hearings held before the Court (together, the "Hearing"); and the Court having determined that there is cause for the relief granted herein based on the consent of the Parties and the record from the Hearing; and it appearing, and the Court having found, that the relief set forth herein is in the best interests of LightSquared, its estates, its creditors, and other parties in interest; and any other objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby **ORDERED** that:

1. The Stipulation is hereby approved, LightSquared is authorized to enter into the Stipulation, and the terms thereof shall have the same force and effect as if set forth herein.

2. Pursuant to section 1121(d) of the Bankruptcy Code, and subject to the terms hereof, LightSquared's Exclusive Periods are extended through and including July 15, 2013 (the "Termination Date"), and such Exclusive Periods shall terminate with prejudice on the Termination Date; provided, however, that LightSquared may file a motion to extend the Exclusive Periods with the consent of the Ad Hoc Secured Group, MAST, and U.S. Bank, which consent the Ad Hoc Secured Group, MAST, and U.S. Bank shall have no obligation to provide

and which may be provided or denied in each of the Ad Hoc Secured Group's, MAST's, and U.S. Bank's sole and absolute discretion for any reason or no reason.

3. The Parties are authorized and empowered to take all actions necessary to effectuate the relief granted pursuant to this Order and agree to execute such other documents as may be reasonably requested of them which may be necessary to carry out the terms of this Order.

4. The requirements set forth in rule 9013-1(a) of the Local Bankruptcy Rules for the Southern District of New York are satisfied.

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

Dated: February 13, 2013  
New York, New York

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

**ATTACHMENT A**

**STIPULATION**

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

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

**STIPULATION BETWEEN PARTIES IN INTEREST REGARDING  
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**

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"), the ad hoc secured group of Prepetition LP Lenders (the "Ad Hoc Secured Group"), MAST Capital Management, LLC, on behalf of itself and its managed accounts (collectively, "MAST"), and U.S. Bank National Association, as Prepetition Inc. Agent and DIP Agent ("U.S. Bank" and, collectively with LightSquared, the Ad Hoc Secured Group, and MAST, the "Parties"), by and through their respective counsel, hereby enter into this stipulation (the "Stipulation") in connection with the Court's entry of an order (the "Second Exclusivity

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



Order”), pursuant to 11 U.S.C. § 1121(d), further extending LightSquared’s Exclusive Periods<sup>2</sup> to file a plan of reorganization and solicit acceptances thereof, and stipulate and agree as follows:

**RECITALS**

WHEREAS, on May 14, 2012, LightSquared filed voluntary petitions for relief under chapter 11, title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”);

WHEREAS, 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 official committee has been appointed in the Chapter 11 Cases, and no request for the appointment of a trustee or examiner has been made in the Chapter 11 Cases;

WHEREAS, pursuant to the Motion, LightSquared sought an extension of its (i) Exclusive Filing Period from January 31, 2013 to May 31, 2013 and (ii) Exclusive Solicitation Period from April 1, 2013 to July 30, 2013;

WHEREAS, on January 24, 2013, (i) the Ad Hoc Secured Group filed an objection to the Motion [Docket No. 503] (the “Objection”), (ii) U.S. Bank and MAST filed a Statement in Support of the Motion [Docket No. 500], and (iii) the ad hoc group of holders of, advisors or affiliates of advisors to holders of, or managers of various accounts that hold Series A Preferred Units of LightSquared LP (the “Ad Hoc Preferred LP Group”) filed a Statement in Support of the Motion [Docket No. 501];

WHEREAS, on January 30, 2013, (i) LightSquared filed a reply in support of its Motion [Docket No. 509], and (ii) Harbinger Capital Partners LLC and certain of its managed and

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in LightSquared’s motion, filed on January 17, 2013, requesting an extension of its exclusive periods during which only it may file a chapter 11 plan of reorganization and solicit acceptances thereof [Docket No. 485] (the “Motion”).

affiliated funds and wholly-owned subsidiaries, including HGW US Holding Company, L.P., Blue Line DZM Corp., and Harbinger Capital Partners SP, Inc. (collectively, "Harbinger") filed a reply to the Objection [Docket No. 510];

WHEREAS, a hearing was held on the Motion on January 31, 2013, and the Court ordered on the record that LightSquared's Exclusive Filing Period shall be extended through and including a resolution of the Motion; and

WHEREAS, the Parties have agreed to the terms of a consensual Second Exclusivity Order, subject to the terms contained herein.

#### **STIPULATION**

NOW THEREFORE, IT IS HEREBY STIPULATED AND AGREED, BY AND AMONG LIGHTSQUARED, THE AD HOC SECURED GROUP, MAST, AND U.S. BANK, THROUGH THEIR UNDERSIGNED COUNSEL:

1. This Stipulation shall have no force or effect unless and until the Second Exclusivity Order is entered by the Court (the "Effective Date"), which shall include and incorporate this Stipulation.

2. The recitals set forth above are true and correct and are incorporated herein by reference.

3. Upon entry of the Second Exclusivity Order, pursuant to section 1121(d) of the Bankruptcy Code, each of LightSquared's Exclusive Filing Period and Exclusive Solicitation Period shall be further extended through and including July 15, 2013 (the "Termination Date").

4. Prior to the Termination Date, the Parties shall engage in good faith negotiations regarding the terms of a consensual chapter 11 plan.

5. If the Parties do not reach agreement as to the terms of a consensual chapter 11 plan prior to the Termination Date, LightSquared or any party in interest may file a chapter 11 plan after the Termination Date.

6. Prior to the Termination Date, (a) LightSquared shall only be permitted to file a chapter 11 plan that (i) has been consented to by the Ad Hoc Secured Group or proposes to pay the Prepetition LP Obligations in cash in full on the effective date of such chapter 11 plan (or as soon as reasonably practicable thereafter) and (ii) has been consented to by U.S. Bank and MAST or proposes to pay the Prepetition Inc. Obligations and the DIP Obligations in cash in full on the effective date of such chapter 11 plan (or as soon as reasonably practicable thereafter); (b) the Ad Hoc Secured Group shall not (and shall direct the Prepetition LP Agent not to) file a motion to terminate exclusivity, provided, however, that this paragraph 6(b) shall not apply in the event of entry of an order by the Court terminating the use of the Prepetition LP Lenders' cash collateral following a breach of the Cash Collateral Order (as may be amended from time to time, including in accordance with this Stipulation); and (c) U.S. Bank and MAST shall not file a motion to terminate exclusivity, provided, however, that this paragraph 6(c) shall not apply following a breach of the DIP Order. The filing of a chapter 11 plan by LightSquared shall not extend or otherwise affect the Termination Date. The Parties acknowledge that, after the Termination Date, the Ad Hoc Secured Group, MAST, and/or U.S. Bank may file a chapter 11 plan or plans in the Chapter 11 Cases, which, in accordance with any of its rights under the Bankruptcy Code and this Stipulation, may or may not provide for a sale or other transaction involving all or substantially all of the Debtors' assets and/or the equity in one or more of the Debtors.

7. [REDACTED]

8. [REDACTED]<sup>3</sup>

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<sup>3</sup> Harbinger is a party to this Stipulation for purposes of paragraph 8 only.

9. The Parties hereby agree to keep the contents of paragraphs 7 and 8 of this Stipulation highly confidential and shall not, publicly or otherwise, disclose the contents thereof; provided, however, that any Party may post in the data room, for potential purchasers having executed appropriate nondisclosure agreements, the full terms of this Stipulation following the Termination Date.

10. Each Party shall reasonably cooperate with the other Party with respect to information needed to draft a disclosure statement with respect to a chapter 11 plan filed by the Ad Hoc Secured Group, MAST, and/or U.S. Bank following the Termination Date (which the Parties recognize may be a joint disclosure statement with respect to chapter 11 plans filed by LightSquared, the Ad Hoc Secured Group, MAST, and/or U.S. Bank).

11. A hearing (the "Disclosure Statement Hearing") on any disclosure statement(s) with respect to any chapter 11 plans filed after the Termination Date shall be held on a date between August 30, 2013 and September 15, 2013, subject to the Court's availability as long as such hearing date complies with the requirements of rule 3017 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and all other applicable Bankruptcy Rules.

12. The Ad Hoc Secured Group shall direct and cause the Prepetition LP Agent to immediately consent to the amendment of the Cash Collateral Order to permit LightSquared to continue to use the Prepetition LP Lenders' Cash Collateral (as defined in the Cash Collateral Order) through and including December 31, 2013 on substantially the same terms as set forth in the amended Cash Collateral Order attached hereto as Exhibit A.

13. U.S. Bank and MAST agree to waive any default under paragraph 24(j) of the DIP Order and any corresponding default under the DIP Documents resulting from termination of exclusivity on July 15, 2013, and the Ad Hoc Secured Group agrees that it will not object to

LightSquared's motion to amend the DIP Facility (the "DIP Amendment Motion") as follows:

(a) additional borrowings of \$5 million will be available to LightSquared in exchange for a commitment fee, paid in kind, of 3.5% (as set forth in the existing DIP Documents), (b) the maturity date of the DIP Facility will be extended to and including December 31, 2013, (c) the provisions in the DIP Order providing for adequate protection for the Prepetition Inc. Agent and the Prepetition Inc. Lenders and the consensual use of Prepetition Inc. Collateral will be extended to and including December 31, 2013, (d) the interest rate on the DIP Obligations will increase to 12.5% from and after the date hereof, and (e) all interest accruing at the default rate on the Prepetition Inc. Obligations pursuant to the terms of the DIP Order from and after the Petition Date until the date of the entry of an order approving the DIP Amendment Motion, (which for information purposes is in the amount of approximately \$7.2 million as of the date hereof), will be added to and become DIP Obligations under the DIP Facility, subject to the Ad Hoc Secured Group's challenge to the Prepetition Inc. Obligations in accordance with the DIP Order.

14. Subject to the DIP Facility (as may be amended, supplemented, restated, or otherwise modified from time to time in accordance with its terms), LightSquared shall not seek Court approval of debtor in possession financing that is senior to, or *pari passu* with, the liens on the Prepetition LP Collateral and claims of the Prepetition LP Lenders without the consent of the Ad Hoc Secured Group. For the avoidance of doubt, the Ad Hoc Secured Group shall not object to a proposed debtor in possession financing that is junior to the liens on the Prepetition LP Collateral and claims of the Prepetition LP Lenders (a "Junior LP DIP Facility"). In connection with LightSquared's solicitation of proposals for any Junior LP DIP Facility, LightSquared shall provide the requested terms and conditions of such Junior LP DIP Facility

and any related financing solicitation materials or other request for proposals to the members of the Ad Hoc Preferred LP Group and their counsel for a period of not less than two (2) business days prior to soliciting proposals for such financing from alternative financing sources (the “Preferred Holders’ Consideration Period”) and engage in good faith negotiations regarding any such Junior LP DIP Facility with the members of the Ad Hoc Preferred LP Group during the Preferred Holders’ Consideration Period and thereafter. LightSquared shall not seek Court approval of debtor in possession financing inconsistent with the DIP Order and DIP Documents.<sup>4</sup>

15. LightSquared’s agreements in paragraphs 6-11 and 14 of this Stipulation shall have no further force or effect and shall not be binding on LightSquared with respect to the Ad Hoc Secured Group, if (a)(i) either (A) the Ad Hoc Secured Group is no longer the largest (by dollar amount of Prepetition LP Obligations) group of Prepetition LP Lenders organized and jointly represented (as evidenced by a Bankruptcy Rule 2019 statement or statements, with at least as much detail as the Ad Hoc Secured Group’s Bankruptcy Rule 2019 disclosure, filed by one or more groups (excluding the Debtors’ insiders and their affiliates (as defined in the Bankruptcy Code)), which in the aggregate hold more Prepetition LP Obligations) or (B) an entity or person (excluding the Debtors’ insiders and their affiliates (as defined in the Bankruptcy Code)) holds more of the Prepetition LP Obligations than does the Ad Hoc Secured Group, and (ii) ten (10) business days after a group or groups specified in (a)(i)(A) hereof files its Bankruptcy Rule 2019 statement(s) or notice by the Debtors or the Prepetition LP Agent (as defined in the Cash Collateral Order) of the reflection of the holdings of an entity or person specified in (a)(i)(B) hereof on the registry of the Prepetition LP Agent, a sufficient number of

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<sup>4</sup> The Ad Hoc Preferred LP Group is a party to this Stipulation for purposes of paragraph 14 only.

such group(s), such entity, or such person has not entered into an agreement enforceable by the Ad Hoc Secured Group supporting and, when solicited, agreeing to vote in favor of the Ad Hoc Secured Group's chapter 11 plan (a "Support Agreement"), such that the aggregate amount of Prepetition LP Obligations held by the Ad Hoc Secured Group and those who have entered into such Support Agreement(s) is greater than the Prepetition LP Obligations held by such group(s), such entity, or such person who have not; or (b) Prepetition LP Lenders (excluding the Debtors' insiders and their affiliates (as defined in the Bankruptcy Code)) holding no less than 40.00% of the Prepetition LP Obligations enter into an agreement enforceable by the Debtors not to support or, when solicited, vote to reject the Ad Hoc Secured Group's chapter 11 plan. LightSquared may request that the Ad Hoc Secured Group file revised Bankruptcy Rule 2019 statements, but in no event more frequently than once every thirty days. LightSquared's agreements in paragraphs 6-11 and 14 of this Stipulation shall have no further force or effect and shall not be binding on LightSquared with respect to MAST and U.S. Bank, if MAST ceases to hold more than a majority of the Prepetition Inc. Obligations held by non-insiders (as defined in the Bankruptcy Code). Nothing in this paragraph 15 shall affect the termination of LightSquared's Exclusive Filing Period and Exclusive Solicitation Period on the Termination Date.

16. The provisions of this Stipulation shall remain in full force and effect unless modified or vacated by subsequent order of the Court with the consent of each of the Parties.

17. The Parties are authorized and empowered to take all actions necessary to effectuate the terms of this Stipulation and agree to execute such other documents as may be reasonably requested of them that may be necessary to carry out the terms of this Stipulation.

18. This Stipulation contains the entire agreement between the Parties regarding the subject matter hereof, and may only be modified in a writing, signed by each of the Parties.

19. This Stipulation is binding upon LightSquared, LightSquared's bankruptcy estates, the other Parties and their respective successors and assigns.

20. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Stipulation.



New York, New York  
Dated: February 13, 2013

/s/ Matthew S. Barr  
Matthew S. Barr  
Alan J. Stone  
David S. Cohen  
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*Counsel to LightSquared*

New York, New York  
Dated: February 13, 2013

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New York, New York  
Dated: February 13, 2013

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New York, New York  
Dated: February 13, 2013

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New York, New York  
Dated: February 13, 2013

/s/ Kenneth S. Ziman  
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*Attorneys for the Ad Hoc Preferred LP Group*

**EXHIBIT A**

**Form of Amended Cash Collateral Order**

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

|                                    |   |                         |
|------------------------------------|---|-------------------------|
| In re:                             | ) |                         |
|                                    | ) | Chapter 11              |
| LIGHTSQUARED INC., <i>et al.</i> , | ) |                         |
|                                    | ) | Case No. 12-12080 (SCC) |
|                                    | ) |                         |
| Debtors. <sup>7</sup>              | ) | Jointly Administered    |
|                                    | ) |                         |

**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 motion (the “Motion”)<sup>8</sup> of LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, “LightSquared” or the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), seeking entry of an interim order and a final order, under sections 105, 361, 362, 363(c), and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”), Rules 2002, 4001, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 4001-2 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the “Local Rules”), *inter alia*:

- (a) authorizing the use of Cash Collateral (within the meaning of section 363(a) of the Bankruptcy Code) of the Prepetition Secured Parties (as defined herein) and providing adequate protection to the Prepetition Secured Parties for any

<sup>7</sup> The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal or foreign tax or registration identification number, are: LightSquared Inc. (8845), LightSquared Investors Holdings Inc. (0984), One Dot Four Corp. (8806), One Dot Six Corp. (8763), SkyTerra Rollup LLC (N/A), SkyTerra Rollup Sub LLC (N/A), SkyTerra Investors LLC (N/A), TMI Communications Delaware, Limited Partnership (4456), LightSquared GP Inc. (6190), LightSquared LP (3801), ATC Technologies, LLC (3432), LightSquared Corp. (1361), LightSquared Finance Co. (6962), LightSquared Network LLC (1750), LightSquared Inc. of Virginia (9725), LightSquared Subsidiary LLC (9821), Lightsquared Bermuda Ltd. (7247), SkyTerra Holdings (Canada) Inc. (0631), SkyTerra (Canada) Inc. (0629) and One Dot Six TVCC Corp. (0040). The location of the debtors’ corporate headquarters is 10802 Parkridge Boulevard, Reston, VA 20191.

<sup>8</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion or in the Montagner Declaration, as applicable.

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 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, 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 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 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 (each as defined below); 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 (as defined below) through and including December 31, 2013 on substantially similar terms as currently set forth in the Initial Cash Collateral Order (the “Amended Final 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. \_\_\_\_] (the "Second Exclusivity Extension Order"); and it appearing to the Court that entry of this Amended Final 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 adequate protection being provided on account of the interests in and liens on property of the estates on which liens are granted subject to the full reservations of rights set forth herein; and after due deliberation and consideration, and for good and sufficient cause appearing therefor;

BASED UPON THE CONSENT SET FORTH HEREIN OF THE PARTIES AND SUBJECT TO THE FULL RESERVATIONS OF RIGHTS, AND UPON THE RECORD ESTABLISHED AT THE FINAL HEARING BY THE DEBTORS, THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

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

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

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

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

E. Debtors’ Debt Structure.

(i) Inc. Debt Structure.<sup>9</sup> Subject to paragraph 12 of this Amended Final Order, the Debtors acknowledge, admit, represent, stipulate, and agree that:

(a) Prepetition Inc. Credit Facility. Pursuant to that certain Credit Agreement, dated as of July 1, 2011 (as amended, supplemented, amended and restated, or otherwise modified from time to time, the “Prepetition Inc. Credit Agreement” and, together with all related credit and security documents, the “Prepetition Inc. Credit Documents”), between LightSquared Inc., as borrower, the subsidiary guarantors party thereto, namely One Dot Four Corp., One Dot Six Corp., and One Dot Six TVCC Corp. (collectively, the “Prepetition Inc. Subsidiary Guarantors” and, together with LightSquared Inc., the “Inc. Obligors”), the lenders party thereto (collectively, the “Prepetition Inc. Lenders”) and U.S. Bank National Association, as successor administrative agent to UBS AG, Stamford Branch (in such capacity, the “Prepetition Inc. Agent”), the Prepetition Inc. Lenders provided term loans to or for the benefit of LightSquared Inc. (the “Prepetition Inc. Credit Facility”).

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<sup>9</sup> The terms of this Amended Final Order as pertains to the Prepetition Inc. Facility, the Prepetition Inc. Obligations, the Prepetition Inc. Liens, the Prepetition Inc. Agent, and the Prepetition Inc. Lenders (each as defined below) are superseded in all respects by the *Final Order, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, and 507, (A) Authorizing Inc. Obligors To Obtain Postpetition Financing, (B) Granting Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 224] (as amended, supplemented, restated, or otherwise modified, the “DIP Order”).

(b) Prepetition Inc. Obligations. The Prepetition Inc. Credit Facility provided LightSquared Inc. with term loans in the aggregate principal amount of \$278,750,000. As of the Petition Date, an aggregate principal amount of approximately \$322,333,494 was outstanding under the Prepetition Inc. Credit Agreement (collectively, with any amounts unpaid, incurred, or accrued prior to the Petition Date in accordance with the Prepetition Inc. Credit Documents (including unpaid principal, accrued, and unpaid interest, any fees, expenses, and disbursements), indemnification obligations, and other charges, amounts, and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing, or chargeable in respect of any of the Inc. Obligors' obligations pursuant to the Prepetition Inc. Credit Documents, including all "Obligations" as described in the Prepetition Inc. Credit Agreement, the "Prepetition Inc. Obligations").

(c) Prepetition Inc. Collateral. To secure the Prepetition Inc. Obligations, the Inc. Obligors granted to the Prepetition Inc. Agent for the benefit of the Prepetition Inc. Lenders first-priority security interests in and liens (the "Prepetition Inc. Liens") on (a) the One Dot Six Lease (as defined in the Prepetition Inc. Credit Documents), (b) the One Dot Four Lease (as defined in the Prepetition Inc. Credit Documents),<sup>10</sup> (c) the capital stock of each Prepetition Inc. Subsidiary Guarantor, and (d) all proceeds and products of each of the foregoing whether obtained prepetition or postpetition (collectively, the "Prepetition Inc. Collateral"). The Prepetition Inc. Collateral does not include cash other than proceeds of the Prepetition Inc. Collateral.

(d) Notwithstanding anything contained in this Amended Final Order to the contrary, the Prepetition Inc. Agent and the Prepetition Inc. Lenders have asserted that interest

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<sup>10</sup> Although the One Dot Four Lease was terminated, the Prepetition Inc. Agent retains a first priority security interest in any remaining collateral.



on the Prepetition Inc. Obligations is accruing at the default rate of 17% (as opposed to the non-default contract rate of 15%) as of April 30, 2012 and will increase to 20% on June 29, 2012. The Debtors dispute that there was a prepetition default under the Prepetition Inc. Credit Facility. The Debtors and the Prepetition Inc. Agent have agreed that pending entry of the DIP Order, interest on the Prepetition Inc. Obligations shall accrue at the non-default contract rate under the Prepetition Inc. Credit Facility, as of the Petition Date, and upon entry of the DIP Order, such interest shall accrue at the applicable default rate commencing as of the Petition Date.

(ii) LP Debt Structure. Subject to paragraph 12 of this Amended Final Order, the Debtors acknowledge, admit, represent, stipulate, and agree that:

(a) Prepetition LP Credit Facility. Pursuant 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” and, together with all related credit and security documents, the “Prepetition LP Credit Documents” and, together with the Prepetition Inc. Credit Documents, the “Prepetition Credit Documents”), 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 the Prepetition LP Parent Guarantors and LightSquared LP, the “LP Obligors”), the lenders party thereto (the “Prepetition LP Lenders” and, together with the Prepetition Inc. Lenders, the “Prepetition Lenders”), UBS AG, Stamford Branch, as administrative agent (in such

capacity, and together with Wilmington Trust FSB,<sup>11</sup> the “Prepetition LP Agent” and, together with the Prepetition LP Lenders, the “Prepetition LP Secured Parties”<sup>12</sup>, and other parties thereto, the Prepetition LP Lenders provided term loans to or for the benefit of LightSquared LP (the “Prepetition LP Credit Facility” and, together with the Prepetition Inc. Facility, the “Prepetition Facilities”).

(b) Prepetition LP Obligations. The Prepetition LP Credit Facility provided LightSquared LP with term loans in the aggregate principal amount of \$1,500,000,000. As of the Petition Date, an aggregate principal amount of approximately \$1,700,571,106 was outstanding under the Prepetition LP Credit Agreement (collectively, with any amounts unpaid, incurred, or accrued prior to the Petition Date in accordance with the Prepetition LP Credit Documents (including unpaid principal, accrued and unpaid interest, any fees, expenses, and disbursements), indemnification obligations, and other charges, amounts, and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing, or chargeable in respect of any of the LP Obligors’ obligations pursuant to the Prepetition LP Credit Documents, including all “Obligations” as described in the Prepetition LP Credit Agreement, the “Prepetition LP Obligations” and, together with the Prepetition Inc. Obligations, the “Prepetition Obligations”).

(c) Prepetition LP Collateral. To secure the Prepetition LP Obligations, the LP Obligors granted to the Prepetition LP Agent for the benefit of the Prepetition LP Lenders first-priority security interests in and liens (the “Prepetition LP Liens” and, together with the

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<sup>11</sup> Wilmington Trust FSB serves as collateral trustee (in such capacity, the “Prepetition LP 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.

<sup>12</sup> The Prepetition LP Agent, together with the Prepetition Inc. Agent, are the “Prepetition Agents” and, together with the Prepetition Lenders, the “Prepetition Secured Parties.”

Prepetition Inc. Liens, the “Prepetition Liens”) on (a) substantially all of the assets of LightSquared LP and the Prepetition LP Subsidiary Guarantors, (b) the equity interests of LightSquared LP and the Prepetition LP Parent Guarantors (except LightSquared Inc.), (c) certain equity interests owned by the Pledgors (as defined in the applicable Prepetition LP Security Agreement (as defined herein)), (d) the Intercompany Notes (as defined in the Prepetition LP Security Agreements) and (e) the rights of LightSquared Inc. under and arising out of that certain Amended and Restated Cooperation Agreement, dated as of August 6, 2010 (as amended, supplemented, amended and restated or otherwise modified from time to time, the “Inmarsat Cooperation Agreement”), by and between LightSquared LP, SkyTerra (Canada) Inc., LightSquared Inc., and Inmarsat Global Limited (collectively, the “Prepetition LP Collateral” and, together with the Prepetition Inc. Collateral, the “Prepetition Collateral”). For the avoidance of doubt, the Prepetition LP Collateral includes any proceeds, substitutions or replacements of any of the forgoing (unless such proceeds, substitutions or replacements would constitute Excluded Property (as defined in Prepetition LP Credit Documents)).<sup>13</sup>

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<sup>13</sup> The Prepetition LP Collateral does not include the following: (a) any permit or license issued by a Governmental Authority (as defined in the Prepetition LP Credit Agreement) or other agreement to the extent and for so long as the terms thereof validly prohibit the creation by the pledgor thereof of a security interest in such permit, license, or other agreement; (b) property subject to any Purchase Money Obligation, Vendor Financing Indebtedness, or Capital Lease Obligations (in each case, as such term is defined in the Prepetition LP Credit Agreement) if the contract or other agreement in which such lien is granted validly prohibits the creation of any other lien on such property; (c) the SkyTerra-2 satellite, while title remains with Boeing Satellite Systems, Inc. (“BSSI”), and those ground segment assets related to the SkyTerra-2 satellite, while title remains with BSSI; (d) any intent-to-use trademark application to the extent and for so long as a security interest therein would result in the loss by the pledgor thereof of any material rights therein; (e) certain deposit and securities accounts securing currency hedging or credit card vendor programs or letters of credit provided to vendors in the ordinary course of business; (f) equity interests in (i) excess of 66% in non-U. S. subsidiaries (other than the Canadian Subsidiaries (as defined in the Prepetition LP Credit Agreement)) held by a US subsidiary, (ii) LightSquared Network LLC, and (iii) any joint venture or similar entity to the extent and for so long as the terms of such investment restrict such security interest; and (g) any consumer goods subject to the Canadian Security Agreement (as defined in the Prepetition LP Credit Agreement). For the avoidance of doubt, the Prepetition LP Collateral includes any proceeds, substitutions, or replacements of any of the forgoing (unless such proceeds, substitutions, or replacements would constitute Excluded Property (as defined in Prepetition LP Credit Documents)).

F. Findings Regarding the Use of Prepetition Collateral.

(i) Need for Use of Prepetition Collateral, Including Cash Collateral. The Debtors' need to use Prepetition Collateral, including Cash Collateral of the Prepetition LP Lenders, is critical to enable the Debtors to continue operations and to administer and preserve the value of their estates. The ability of the Debtors to engage in ongoing discussions with the Federal Communications Commission ("FCC") regarding the deployment of the Debtors' network, to maintain business relationships with their vendors, suppliers and customers, including public safety agencies, to pay their employees, and to otherwise finance their operations requires the use of Prepetition Collateral, including Cash Collateral of the Prepetition LP Lenders, the absence of which would result in immediate and irreparable loss or damage to the Debtors, their estates, and their creditors. The Debtors do not have sufficient available sources of unencumbered cash to operate their businesses or maintain their properties in the ordinary course of business without the authorized use of the Prepetition LP Lenders' Cash Collateral.

(ii) Use of Cash Collateral. The Debtors have agreed to use the Prepetition LP Lenders' Cash Collateral in a manner consistent with the expenditure line items (which, for the avoidance of doubt, do not include restructuring professional fees and amounts paid to Prepetition Secured Parties) in the budget (the "Budget," which is attached hereto as Schedule 1), for (a) working capital and other general corporate purposes, (b) permitted payment of costs of administration of the Chapter 11 Cases, and (c) payment of such prepetition expenses as approved by this Court.<sup>14</sup> The Debtors may use the Prepetition LP Lenders' Cash Collateral in excess of the amount set forth in the Budget for any particular expenditure line item so long as

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<sup>14</sup> Notwithstanding such authorization, all rights of all parties in interest to seek to allocate overhead among the Debtors' estates shall be fully preserved.

the percentage deviation for all operating expenditure line items during any two-month period<sup>15</sup> shall not exceed fifteen percent (15%) (the “Permitted Variance”), in the aggregate, of the amount set forth in the Budget for all operating expenditure line items for such two-month period (or such shorter period commencing on the date of entry of the Amended Final Order); provided, that (i) no payments (e.g., bonuses, severance payments, or critical vendor payments) which require the Court’s approval shall be included in the Permitted Variance calculus in determining compliance with the Budget until such payments are approved, and (ii) restructuring professional fees and amounts paid to Prepetition Secured Parties shall be excluded from the Permitted Variance calculus (all other professional fees shall be included in determining compliance with the Budget). Notwithstanding anything to the contrary in this Amended Final Order, capital expenditure line items (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 December 31, 2013.

G. Adequate Protection. As a result of the use of the Prepetition Collateral authorized herein, the Prepetition Secured Parties are entitled to receive adequate protection pursuant to sections 361, 362, and 363 of the Bankruptcy Code for any diminution in the value (“Diminution in Value”) of their respective interest in the Prepetition Collateral resulting from the Debtors’ use, sale, or lease of the Prepetition Collateral during the Debtors’ Chapter 11 Cases and as a result of the imposition of the automatic stay. The Prepetition Secured Parties have agreed and consented to the use of their respective Prepetition Collateral, including Cash Collateral, on the terms set forth herein, including in exchange for (a) the Adequate Protection Liens and the 507(b) Claims (to the extent of any Diminution in Value), (b) the Adequate

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<sup>15</sup> Or such shorter period commencing on the date of entry of the Amended Final Order.

Protection Payments (each as defined herein) and (c) the other provisions and benefits set forth herein; provided, however, that to the extent the Prepetition Secured Parties are entitled to accrue interest, fees, costs or charges under Bankruptcy Code section 506(b), this Amended Final Order shall not in any way impair such entitlement.

H. Bankruptcy Code Sections 506(c) and 552(b). In light of (a) the Prepetition Inc. Agent's agreement to subordinate and the absence of an objection by the Prepetition Inc. Lenders to the subordination of their liens and the Inc. Section 507(b) Claim (as defined herein) to the Inc. Carve-Out (as defined herein) and (b) the agreement of certain holders of the Prepetition LP Obligations which formed an Ad Hoc Working Group of Prepetition LP Secured Parties (the "Ad Hoc LP Secured Group") and the Prepetition LP Agent to subordinate the Prepetition LP Agent's and the Prepetition LP Lenders' liens and the LP Section 507(b) Claim (as defined herein) to the LP Carve-Out (as defined herein), the Prepetition Secured Parties are entitled to a waiver of the provisions of Bankruptcy Code sections 506(c) and 552(b), to the extent set forth below.

I. Good Cause; Immediate Entry. The relief requested in the Motion is necessary, essential, and appropriate, and is in the best interests of, and will benefit, the Debtors, their estates, and their creditors and equity holders, as its implementation will, *inter alia*, provide the Debtors with the necessary liquidity to (a) minimize the disruption to the Debtors' businesses and ongoing operations, (b) preserve and maximize the value of the Debtors' estates for the benefit of all the Debtors' creditors and equity holders, and (c) avoid immediate and irreparable harm to the Debtors, their estates, their creditors and equity holders, their businesses, their employees, and their assets.

J. Notice. Good and sufficient notice of the Amended Final Order has been provided by the Debtors to (a) the U.S. Trustee, (b) the entities listed on the Consolidated List of

Creditors Holding the 20 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d), (c) counsel to the Prepetition Agents, (d) counsel to the Ad Hoc LP Secured Group, (e) counsel to Harbinger Capital Partners LLC (“Harbinger”), (f) the Internal Revenue Service, (g) the United States Attorney for the Southern District of New York, (h) the FCC, (i) Industry Canada, and (j) all parties having filed a request for notice under Bankruptcy Rule 2002. The Debtors have made reasonable efforts to afford the best notice possible under the circumstances, and such notice is good and sufficient to permit the relief set forth in this Amended Final Order.

Based upon the foregoing findings and conclusions, the Motion and record before the Court with respect to the Motion, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED that:

1. Relief Granted and Initial Cash Collateral Order Ratified. The Amended Final Order is granted to the extent set forth herein and the use of Prepetition Collateral, including Cash Collateral, on a final basis is authorized, subject to the terms and conditions and to the full reservations of rights set forth in this Amended Final Order. The terms of the Initial Cash Collateral Order are hereby ratified and affirmed, except to the extent amended or modified by this Amended Final Order.

2. Objections Overruled. Any objection to this Amended Final Order, to the extent not withdrawn or resolved, is hereby overruled.

**Authorization To Use Cash Collateral**

3. Use of Cash Collateral. Subject to the terms and conditions of this Amended Final Order, and in accordance with the Budget (subject to the Permitted Variance), the Debtors are authorized to use Cash Collateral until the occurrence of an LP Termination Event (as defined herein) or as otherwise ordered by the Court (the “Termination Date”). Nothing in this

Amended Final Order shall authorize the disposition of any assets of the Debtors or their estates outside the ordinary course of business, or any Debtor's use of any Cash Collateral or proceeds resulting therefrom, except as permitted in this Amended Final Order and in accordance with the Budget.

4. Cash Management System. The Debtors shall maintain their cash management system as approved by the Court pursuant to the Final Order (A) Authorizing Debtors to (I) Continue Using Existing Cash Management Systems, Bank Accounts and Business Forms and (II) Continue Intercompany Transactions, (B) Providing Postpetition Intercompany Claims Administrative Expense Priority, (C) Authorizing Debtors' Banks to Honor All Related Payment Requests, and (D) Waiving Investment Guidelines of Section 345(b) of Bankruptcy Code [ECF No. 115]. The Ad Hoc Secured Group hereby consents to the repayment, to LightSquared Inc., of any costs and expenses paid on behalf of the LP Obligors' estates since the Petition Date. In the event the DIP Order is not entered, the Debtors reserve all of their rights to seek further order of this Court authorizing distribution of the Prepetition LP Lenders' Cash Collateral to the Inc. Obligors to fund their costs and expenses, administration of their estates, and operation of their businesses. All parties reserve their all of their rights in connection with such request.

5. Adequate Protection Liens.

(a) Inc. Adequate Protection Liens. Pursuant to sections 361, 362, and 363(e) of the Bankruptcy Code, as adequate protection of the interests of the Prepetition Inc. Agent and the Prepetition Inc. Lenders in the Prepetition Inc. Collateral against any Diminution in Value of their interests in the Prepetition Inc. Collateral, the Debtors hereby grant to the Prepetition Inc. Agent, for the benefit of itself and the Prepetition Inc. Lenders, effective and perfected as of the Petition Date and without the necessity of the execution by the Debtors of security agreements,



pledge agreements, mortgages, financing statements, or other agreements, valid, binding, enforceable, and perfected postpetition security interests in and liens on the Prepetition Inc. Collateral (the “Inc. Adequate Protection Liens”). For avoidance of doubt, the Prepetition Inc. Agent and the Prepetition Inc. Lenders shall not have an Inc. Adequate Protection Lien on (i) any claims or causes of action under chapter 5 of the Bankruptcy Code or proceeds therefrom, (ii) the assets of the Prepetition LP Subsidiary Guarantors, or (iii) the unencumbered assets of LightSquared Inc.

(b) LP Adequate Protection Liens. Pursuant to sections 361, 362, and 363(e) of the Bankruptcy Code, as adequate protection of the interests of the Prepetition LP Agent and the Prepetition LP Lenders in the Prepetition LP Collateral against any Diminution in Value of their interests in the Prepetition LP Collateral, including for use of Cash Collateral, the Debtors hereby grant to the Prepetition LP Agent, for the benefit of itself and the Prepetition LP Lenders, effective and perfected as of the Petition Date and without the necessity of the execution by the Debtors of security agreements, pledge agreements, mortgages, financing statements, or other agreements, valid, binding, enforceable, and perfected postpetition security interest in and liens on the Prepetition LP Collateral (the “LP Adequate Protection Liens” and, together with the Inc. Adequate Protection Liens, the “Adequate Protection Liens”). For avoidance of doubt, the Prepetition LP Lenders shall not have an LP Adequate Protection Lien on (i) any claims or causes of action under chapter 5 of the Bankruptcy Code or proceeds therefrom, (ii) the assets of the Prepetition Inc. Subsidiary Guarantors, (iii) the unencumbered assets of LightSquared Inc., or (iv) the SkyTerra-2 satellite while title remains with BSSI or those ground segment assets related to the SkyTerra-2 satellite while title remains with BSSI.<sup>16</sup>

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<sup>16</sup> For the avoidance of doubt, the Prepetition LP Collateral includes all General Intangibles (as defined in the Prepetition LP Credit Documents) to include, among other things, contract rights relating to that certain

(c) Priority of Adequate Protection Liens. The Inc. Adequate Protection Liens shall be junior only to the Inc. Permitted Liens<sup>17</sup> and the Inc. Carve-Out. The LP Adequate Protection Liens shall be junior only to the LP Permitted Liens<sup>18</sup> and the LP Carve-Out.

(d) The Adequate Protection Liens shall be valid and enforceable against any trustee appointed in the Chapter 11 Cases, or any case under chapter 7 of the Bankruptcy Code upon conversion of any of the Chapter 11 Cases (each, a “Successor Case” and collectively, the “Successor Cases”), or upon the dismissal of any of the Chapter 11 Cases or Successor Cases. No lien or interest avoided and preserved for the benefit of the estate pursuant to section 551 of the Bankruptcy Code shall be pari passu with or senior to the Prepetition Liens or the Adequate Protection Liens.

(e) The Adequate Protection Liens shall be subject to the reservation of rights set forth in paragraph 12 of this Amended Final Order.

6. Section 507(b) Claims.

(a) Inc. Section 507(b) Claim. As further adequate protection of the interests of the Prepetition Inc. Agent and the Prepetition Inc. Lenders in the Prepetition Inc. Collateral

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Amendment 4 Amended and Restated Contract between LightSquared and BSSI, dated November 10, 2010 (as amended, modified, supplemented, or amended and restated through the date hereof).

<sup>17</sup> The Inc. Permitted Liens are liens otherwise permitted by the Prepetition Inc. Credit Documents, to the extent any such permitted liens were valid, properly perfected, non-avoidable and senior in priority to the Prepetition Inc. Liens as of the Petition Date. Nothing herein shall constitute a finding or ruling by this Court that any such Inc. Permitted Liens are valid, senior, perfected and non-avoidable. Moreover, nothing shall prejudice the rights of any party in interest, including, but not limited to, the Debtors, the Prepetition Inc. Agent, the Prepetition Inc. Lenders and the Committee, to challenge the validity, priority, perfection or extent of any such Inc. Permitted Lien and/or security interest.

<sup>18</sup> The LP Permitted Liens are liens otherwise permitted by the Prepetition LP Credit Documents, to the extent any such permitted liens were valid, properly perfected, non-avoidable and senior in priority to the Prepetition LP Liens as of the Petition Date. Nothing herein shall constitute a finding or ruling by this Court that any such LP Permitted Liens are valid, senior, perfected and non-avoidable. Moreover, nothing shall prejudice the rights of any party in interest, including, but not limited to, the Debtors, the Prepetition LP Agent, the Prepetition LP Lenders and the Committee, to challenge the validity, priority, perfection or extent of any such LP Permitted Lien and/or security interest.

against any Diminution in Value of such interests in the Prepetition Inc. Collateral, the Prepetition Inc. Agent and the Prepetition Inc. Lenders are each hereby granted as and to the extent provided by section 507(b) of the Bankruptcy Code an allowed superpriority administrative expense claim in each of the Inc. Obligors' Chapter 11 Cases and Successor Cases (the "Inc. Section 507(b) Claim"); provided, that the Inc. Section 507(b) Claim against LightSquared Inc. shall be pari passu with the LP Section 507(b) Claim against LightSquared Inc.

(b) LP Section 507(b) Claim. As further adequate protection of the interests of the Prepetition LP Agent and the Prepetition LP Lenders in the Prepetition LP Collateral against any Diminution in Value of such interests in the Prepetition LP Collateral, the Prepetition LP Agent and the Prepetition LP Lenders are each hereby granted as and to the extent provided by section 507(b) of the Bankruptcy Code an allowed superpriority administrative expense claim in each of the LP Obligors' Chapter 11 Cases and Successor Cases (the "LP Section 507(b) Claim") and, together with the Inc. Section 507(b) Claim, the "Section 507(b) Claims"; provided, that the LP Section 507(b) Claim against LightSquared Inc. shall be pari passu with the Inc. Section 507(b) Claim against LightSquared Inc.

(c) Priority of the Section 507(b) Claims. Except as set forth herein, the Section 507(b) Claims shall have priority over all administrative expense claims and unsecured claims against the Inc. Obligors and the LP Obligors, as applicable, or their estates, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to Bankruptcy Code sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 507(a), 507(b), 546(c), 546(d), 726 (to the extent permitted by law), 1113, and 1114; provided, however, that each of the Section 507(b)

Claims shall be (i) junior to the respective Carve-Outs (as defined herein) and (ii) subject to the reservation of rights set forth in paragraph 12 of this Amended Final Order.

7. Adequate Protection Payments. As used in this Amended Final Order, “Adequate Protection Payments” means the payment of professional fees and the payment and accrual of interest as described in this paragraph 7.

(a) Inc. Agent Professional Fees. As further adequate protection, subject to the reservation of rights set forth in paragraph 12 of this Amended Final Order, as applicable, the Debtors are authorized and directed to provide adequate protection in the form of: (a) payment of all reasonable, actual, and documented fees and expenses incurred or accrued by the Prepetition Inc. Agent under and pursuant to the Prepetition Inc. Agreement, including, without limitation, the reasonable, actual, and documented fees and disbursements of counsel to and financial advisor to the Prepetition Inc. Agent, whether incurred or accrued prior to or after the Petition Date without limiting the rights of parties in interest pursuant to section 506(b) of the Bankruptcy Code. None of the fees and expenses payable pursuant to this paragraph shall be subject to separate approval by this Court (but this Court shall resolve any dispute as to the reasonableness of any such fees and expenses), and no recipient of any such payment shall be required to file any interim or final fee application with respect thereto. Subject to any bona fide dispute as to the reasonableness of such fees and expenses, the Debtors shall pay the reasonable, actual, and documented fees and expenses provided for in this section promptly (but no later than ten (10) business days) after invoices for such fees and expenses shall have been submitted to the Debtors, and the Debtors shall promptly provide copies of such invoices to the Committee (if any) and the U.S. Trustee. Any and all payments or proceeds remitted to or for the benefit of the Prepetition Inc. Agent pursuant to the provisions of this Amended Final Order or any subsequent

order of this Court shall be received free and clear of any claim, charge, assessment, or other liability.

(b) Postpetition Accrual of Inc. Interest. As further adequate protection, the Prepetition Inc. Obligations, pending entry of the DIP Order, will accrue interest at the non-default contract rate and consistent with the Prepetition Inc. Credit Agreement, provided, that unless otherwise ordered by this Court, the Inc. Obligors shall not be obligated to pay such obligations on a current basis during the Inc. Obligors' Chapter 11 Cases. Upon entry of the DIP Order, interest on the Prepetition Inc. Obligations shall accrue at the default rate of interest from and after the Petition Date; provided, however, that in the event the DIP Order is not entered on or before June 30, 2012 or as soon thereafter as possible, subject to the Court's availability, this Court shall hold a hearing on July 17, 2012 to consider whether interest should accrue on the Prepetition Inc. Obligations at the default rate from and after the Petition Date and shall consider such issue de novo. In the event that the Prepetition Inc. Obligations are later determined to be undersecured, nothing herein shall prevent any party in interest from seeking to terminate, or reallocate to principal payments, the accrual of such postpetition interest.

(c) LP Adequate Protection Payments. As further adequate protection, subject to the reservation of rights set forth in paragraph 12 of this Amended Final Order, the LP Obligors shall pay to the Prepetition LP Agent for the benefit of the Prepetition LP Lenders on the first Business Day of each month, starting July 1, 2012, an amount equal to \$6,250,000, inclusive of interest and payment of all reasonable, actual, and documented fees and expenses incurred or accrued by the Prepetition LP Agent and the Ad Hoc LP Secured Group, including, without limitation, the reasonable, actual, and documented fees and disbursements (collectively, the "LP Professional Fees") of White & Case LLP and The Blackstone Group L.P.

(“Blackstone”), whether incurred or accrued prior to or after the Petition Date.<sup>19</sup> Such amount will be applied first, to the non-professional fees and expenses of the Prepetition LP Agent, second, to the LP Professional Fees, and third to interest on the Prepetition LP Obligations, and the Ad Hoc LP Secured Group shall advise the LP Obligors, on a monthly basis, of how such amount will be allocated among the non-professional fees and expenses of the Prepetition LP Agent, the LP Professional Fees, and interest on the Prepetition LP Obligations. Such amount shall be applied to the LP Professional Fees in any given month only so long as the Ad Hoc LP Secured Group is the largest (by dollar amount) group of Prepetition LP Lenders organized and jointly represented (as evidenced by a Rule 2019 statement) in the Chapter 11 Cases. Nothing in this Amended Final Order shall prejudice any rights of the Prepetition LP Lenders to accrue interest (including at the default rate), fees, expenses, or charges to the fullest extent permitted under section 506(b) of the Bankruptcy Code. All parties reserve all rights to assert that any such payments of interest and LP Professional Fees made by the LP Obligors constitute and may be reallocated or recharacterized as principal repayments of the Prepetition LP Obligations.

(d) Financial and Other Reporting.

(i) On Wednesday or (in the event such Wednesday is not a business day, the first business day thereafter) of each week, the Debtors will provide the Prepetition LP Agent, Blackstone, and Houlihan Lokey (as financial advisor to the Prepetition Inc. Agent) with cash balances as of the last day of the prior week. On the tenth (10<sup>th</sup>) day of each month or the first business day thereafter, the Debtors will provide the Prepetition LP Agent, Blackstone, and Houlihan Lokey with (x) a reconciliation of revenues generated and expenditures made during the prior month and cumulatively during the Chapter 11 Cases, together with a comparison of

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<sup>19</sup> The procedure for payment of LP Professional Fees shall be the same as the procedure for the payment of the professional fees of the Prepetition Inc. Agent as set forth in subparagraph (a) of this paragraph 7.

such amounts to the amounts projected in the Budget and (y) an update of the Budget through December 31, 2013 (for forecasting and informational purposes only).

(ii) The Debtors shall provide certain professionals (the “Agreed Professionals”) from White & Case LLP and Blackstone (each of whom shall be previously identified by name to, and agreed to by, the Debtors and each of whom shall individually sign mutually acceptable confidentiality agreements) with periodic updates and reasonably detailed information regarding any significant meetings, discussions, or proposals with respect to the material assets of the Debtors, including, without limitation, meetings with the FCC and/or federal agencies, in all cases regarding its ATC authorization for L-band spectrum or alternative spectrum for its terrestrial network, and matters reasonably related thereto, as well as reasonable advance notice, to the extent reasonably practicable, of any significant meetings, discussions, or proposals with respect to the material assets of the Debtors, including, without limitation, meetings with the FCC and/or federal agencies, in all cases regarding its ATC authorization for L-band spectrum or alternative spectrum for its terrestrial network, and matters reasonably related thereto, and in any case reasonably promptly report the substance thereof to the Agreed Professionals. The Debtors, upon the reasonable request of the Agreed Professionals, shall make their professionals and advisors reasonably available to such Agreed Professionals generally, and reasonably in advance of all such meetings to the extent reasonably practicable. All parties that enter into a confidentiality agreement shall be bound by, and comply with, the terms thereof. For the avoidance of doubt, the intention of this provision is to provide the Ad Hoc LP Secured Group with reasonable information and, to the extent reasonably practicable, reasonable time to consider the impact of all FCC and related matters on its interests, without unreasonable interference with the Debtors’ implementation and conduct of their business plan. Such Agreed

Professionals shall not disclose to any Prepetition LP Lender or any other person, without the consent of the Debtors or the approval of the Court, any information provided by the Debtors in accordance with this paragraph. This provision is an integral element and basis of the Ad Hoc LP Secured Group's consent to the use of its Cash Collateral.

**Provisions Common to Use of Cash Collateral Authorizations**

8. Perfection of Adequate Protection Liens.

(a) The Prepetition Agents are hereby authorized, but not required, to file or record financing statements, intellectual property filings, mortgages, notices of lien, or similar instruments in any jurisdiction, take possession of or control over, or take any other action in order to validate and perfect the liens and security interests granted to them hereunder. Whether or not the Prepetition Agents, on behalf of the Prepetition Inc. Lenders and the Prepetition LP Lenders, as applicable, shall, in their respective sole discretion, choose to file such financing statements, intellectual property filings, mortgages, notices of lien, or similar instruments, take possession of or control over, or otherwise confirm perfection of the liens and security interests granted to them hereunder, such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable, and not subject to challenge, dispute, or subordination as of the Petition Date.

(b) A certified copy of this Amended Final Order may, in the discretion of the Prepetition Agents, respectively, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien, or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Amended Final Order for filing and recording.



(c) The Debtors are authorized and directed to execute and deliver to the Prepetition Agents all such agreements, financing statements, instruments, and other documents as such Prepetition Agents may reasonably request to evidence, confirm, validate, or perfect the Adequate Protection Liens. All such documents will be deemed to have been recorded and filed as of the Petition Date.

(d) In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized to do and perform all acts to make, execute, and deliver all instruments and documents and to pay all fees that may be reasonably required or necessary for the Debtors' performance hereunder.

9. Carve-Out. As used in this Amended Final Order, "Carve-Outs" shall mean the Inc. Carve-Out and the LP Carve-Out.

(a) Inc. Carve-Out. As used in this Amended Final Order, the "Inc. Carve-Out" shall mean, upon the occurrence of the Termination Date, the following expenses: (i) all statutory fees payable to the Clerk of the Court and to the U.S. Trustee pursuant to 28 U.S.C. §1930(a) for the Inc. Obligors; (ii) all reasonable fees and expenses incurred by a trustee for the Inc. Obligors under section 726(b) of the Bankruptcy Code not to exceed \$50,000; and (iii) the allowed and unpaid professional fees, expenses, and disbursements allocable to the Inc. Obligors incurred on or after the Termination Date by the Debtors and the Committee for any professionals retained by final order of the Court (which order has not been vacated or stayed, unless the stay has been vacated) by the Debtors and the Committee under sections 327, 328, or 1103(a) of the Bankruptcy Code (the "Chapter 11 Case Professionals") in an aggregate amount not to exceed \$1.5 million plus such allowed fees, expenses, and disbursements allocable to the Inc. Obligors incurred prior to the Termination Date, but which remain unpaid as of the

Termination Date, whether approved by the Court before or after the Termination Date (collectively, the “Allowed Inc. Professional Fees”).

(b) LP Carve-Out. As used in this Amended Final Order, the “LP Carve-Out” shall mean, upon the occurrence of the Termination Date, the following expenses: (i) all statutory fees payable to the Clerk of the Court and to the U.S. Trustee pursuant to 28 U.S.C. §1930(a) for the LP Obligors; (ii) with respect to the information officer (the “Information Officer”) to be appointed by the Ontario Superior Court of Justice (Commercial List) in Toronto, Ontario, Canada (the “Canadian Court”) in connection with the proceedings commenced pursuant to the Companies’ Creditors Arrangement Act (Canada) R.S.C. 1985, c. C-36, as amended, in the Canadian Court (the “Canadian Proceedings”), all fees and expenses required to be paid to the Information Officer and its counsel in connection with the Canadian Proceedings, which fees and expenses may be secured by a charging lien granted by the Canadian Court over the Debtors’ assets in Canada, in the maximum amount of CDN \$200,000, (iii) all reasonable fees and expenses incurred by a trustee for the LP Obligors under section 726(b) of the Bankruptcy Code not to exceed \$50,000; and (iv) the allowed and unpaid professional fees, expenses, and disbursements allocable to the LP Obligors incurred on or after the Termination Date by the Debtors and the Committee for any Chapter 11 Case Professionals (which are restructuring professionals) in an aggregate amount not to exceed \$4 million, plus such allowed fees, expenses, and disbursements allocable to the LP Obligors incurred prior to the Termination Date, but which remain unpaid as of the Termination Date, whether approved by the Court before or after the Termination Date (the “Allowed LP Professional Fees” and, together with the Allowed Inc. Professional Fees, the “Allowed Professional Fees”).

(c) Payment of Allowed Professional Fees Prior to the Termination Date.

Prior to the occurrence of the Termination Date, the Debtors shall be permitted to pay Allowed Professional Fees. The amounts paid shall not reduce the Carve-Outs.

10. Payment of Compensation. Nothing in this Amended Final Order shall be construed as a consent to the allowance of any professional fees or expenses of any Chapter 11 Case Professionals or shall affect the rights of the Prepetition Agents and/or the Prepetition Lenders to object to the allowance and payment of such fees and expenses.

11. [Reserved]

12. Investigation Period.

(a) The Inc. Adequate Protection Liens, the Inc. Section 507(b) Claim, and the Prepetition Inc. Liens shall be senior to, and no Prepetition Inc. Collateral may be used to pay, any claims for services rendered by any of the professionals retained by the Debtors (or any successor trustee or other estate representative in the Chapter 11 Cases or any Successor Cases), the Committee, or any other party in connection with the assertion of, or joinder in, any claim, counterclaim, action, proceeding, application, motion, investigation, objection, defense, or other contested matter against the Prepetition Inc. Agent or the Prepetition Inc. Lenders in connection with invalidating, setting aside, avoiding, subordinating, recharacterizing, objecting to, or challenging, in whole or in part, any claims or liens arising under or with respect to the Prepetition Inc. Credit Facility, the Prepetition Inc. Obligations, the Prepetition Inc. Liens, or the Prepetition Inc. Collateral; provided, however, that up to \$50,000 of Cash Collateral of the Prepetition Inc. Agent (which does not include any unencumbered cash) may be used to pay the allowed fees and expenses of counsel retained by the Committee (if appointed) incurred directly in connection with investigating, but not preparing, initiating, or prosecuting, any Claims and

Defenses (as defined herein) against the Prepetition Inc. Agent or Prepetition Inc. Lenders with regard to the Prepetition Inc. Credit Facility or the Prepetition Inc. Liens. In the event the liens, security interests, or claims of the Prepetition Inc. Agent or the Prepetition Inc. Lenders are voided, avoided, disallowed, or subordinated, then any lien or priority granted to the Prepetition Inc. Agent hereunder in respect of such voided, avoided, disallowed, or subordinated lien, security interest, or claim may be voided, avoided, disallowed, or subordinated to the same extent, and no provision hereof shall preclude or impair the Court from imposing any appropriate remedy in such event.

(b) The LP Adequate Protection Liens, the LP Section 507(b) Claim, and the Prepetition LP Liens shall be senior to, and no Prepetition LP Collateral (including any Cash Collateral of the Prepetition LP Lenders or otherwise) may be used to pay, any claims for services rendered by any of the professionals retained by the Debtors (or any successor trustee or other estate representative in the Chapter 11 Cases or any Successor Cases), the Committee, or any other party in connection with the assertion of, or joinder in, any claim, counterclaim, action, proceeding, application, motion, investigation, objection, defense, or other contested matter against the Prepetition LP Agent or the Prepetition LP Lenders in connection with invalidating, setting aside, avoiding, subordinating, recharacterizing, objecting to, or challenging, in whole or in part, any claims or liens arising under or with respect to the Prepetition LP Credit Facility, the Prepetition LP Obligations, the Prepetition LP Liens, or the Prepetition LP Collateral; provided, however, that up to \$50,000 of Cash Collateral of the Prepetition LP Agent (which does not include any unencumbered cash) may be used to pay the allowed fees and expenses of counsel retained by the Committee (if appointed) incurred directly in connection with investigating, but not preparing, initiating, or prosecuting, any Claims and Defenses (as defined herein) against the

Prepetition LP Agent or Prepetition LP Lenders with regard to the Prepetition LP Credit Facility or the Prepetition LP Liens. In the event the liens, security interests, or claims of the Prepetition LP Agent or the Prepetition LP Lenders are voided, avoided, disallowed, or subordinated, then any lien or priority granted to the Prepetition LP Agent hereunder in respect of such voided, avoided, disallowed, or subordinated lien, security interest, or claim may be voided, avoided, disallowed, or subordinated to the same extent, and no provision hereof shall preclude or impair the Court from imposing any appropriate remedy in such event.

(c) Notwithstanding anything herein to the contrary, any party in interest other than the Debtors shall have until August 11, 2012 (the “Investigation Termination Date”) to investigate the validity, perfection, enforceability, and extent of any Prepetition Obligations and Prepetition Liens and any potential claims of the Debtors or their estates against any Prepetition Agent or Prepetition Lenders in respect of the applicable Prepetition Obligations and Prepetition Liens, “lender liability” claims and causes of action, or any actions, claims, or defenses under chapter 5 of the Bankruptcy Code (all such claims, defenses, and other actions described in this paragraph are collectively defined as the “Claims and Defenses”).

Notwithstanding the foregoing sentence, the Investigation Termination Date for Prepetition Inc. Obligations owing or Prepetition Inc. Liens granted to, or any other Claims and Defenses against, affiliates of the Debtors or any successor holder that acquired Prepetition Inc. Obligations after the Petition Date (“Affiliate Challenges”), shall be the earlier of (i) sixty days after the occurrence of an LP Termination Event and (ii) ten months from June 13, 2012; provided, that in the event the Ad Hoc LP Secured Group files an Ad Hoc Group Standing Motion (as defined below), such period shall be extended, for the Ad Hoc LP Secured Group

only, to the date which is five business days after the date which the Court enters an order granting the Ad Hoc Group Standing Motion.

(d) Any challenge to the Prepetition Obligations or the Prepetition Liens, or the assertion of any other claims or causes of action of the Debtors or their estates against (x) the Prepetition Inc. Agent or the Prepetition Inc. Lenders and/or (y) the Prepetition LP Agent or the Prepetition LP Lenders, as applicable, must in any case be made by a party in interest with standing who timely and properly commences an adversary proceeding on or before the Investigation Termination Date (a "Challenge"). If no Challenge is properly filed on or before the Investigation Termination Date, all holders of claims and interests as well as other parties in interest shall be forever barred from bringing or taking any such action, and the Debtors' stipulations made herein and the release set forth in this Amended Final Order shall be binding on all parties in interest. If a Challenge is timely and properly brought, any claim or action that is not brought shall be forever barred. In the event of a timely and successful Challenge by a plaintiff in such an action, this Court shall fashion the appropriate remedy with respect to the (x) Prepetition Inc. Agent and the Prepetition Inc. Lenders and/or the (y) Prepetition LP Agent and the Prepetition LP Lenders, as applicable, after hearing from all parties.

(e) Nothing in this Amended Final Order vests or confers on the Committee or any other party standing or authority to bring, assert, commence, continue, prosecute, or litigate any cause of action belonging to the Debtors or their estates, including, without limitation, the Claims and Defenses with respect to the Prepetition Inc. Facility, the Prepetition Inc. Liens, or the Prepetition Inc. Obligations. Notwithstanding the foregoing, in the event the Ad Hoc LP Secured Group seeks standing to bring an Affiliate Challenge on behalf of the Debtors' estates (an "Ad Hoc Group Standing Motion"), the Ad Hoc LP Secured Group shall be

entitled to a hearing on such motion on shortened notice (subject to the Court's calendar) and shall not be required to issue any prior "demand" to the Debtors in respect thereof.

13. Release. Subject to the rights set forth in paragraph 12 of this Amended Final Order, the Debtors, on behalf of themselves and their estates (including any successor trustee or other estate representative in the Chapter 11 Cases or Successor Cases) and any party acting by, through, or under the Debtors or their estates, forever and irrevocably (i) release, discharge, waive, and acquit (x) the Prepetition Agents and the Prepetition Lenders, (y) each of their respective participants and each of their respective affiliates, and (z) each of their respective former, current or future officers, employees, directors, agents, representatives, owners, members, partners, financial advisors, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, and predecessors in interest (collectively, the "Released Parties"), of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness, and obligations existing as of the Petition Date, including, without limitation, any so-called "lender liability" or equitable subordination claims or defenses, with respect to or relating to the Prepetition Obligations, the Prepetition Liens, or the Prepetition Facilities, as applicable, any and all claims and causes of action arising under the Bankruptcy Code, and any and all claims regarding the validity, priority, perfection, or avoidability of the liens or secured claims of (x) the Prepetition Inc. Agent and the Prepetition Inc. Lenders and/or (y) the Prepetition LP Agent and the Prepetition LP Lenders and (ii) waive any and all defenses (including, without limitation, offsets and counterclaims of any nature or kind) as to the validity, perfection, priority, enforceability, and nonavoidability of the applicable Prepetition Obligations and the applicable Prepetition Liens.

14. Termination of Consent to Use the Prepetition LP Lenders' Cash Collateral. The authorization of the Debtors to use the Prepetition LP Lenders' Cash Collateral under this Amended Final Order will terminate upon five days' prior written notice by the Prepetition LP Agent to the Debtors of the occurrence of any of the following (except for the event in subparagraph (o) below, upon which event a termination will occur automatically) (each of the following, an "LP Termination Event"):

(a) This Court enters an order dismissing any of the Chapter 11 Cases of the Debtors with material assets or converting any such Chapter 11 Cases to cases under chapter 7;

(b) This Court enters an order appointing a chapter 11 trustee in any of the Chapter 11 Cases of the Debtors with material assets that is not stayed following entry;

(c) This Court enters an order staying, reversing, or vacating, in a manner materially adverse to the Prepetition LP Agent or the Prepetition LP Lenders and without prior consent of the Prepetition LP Agent or the Prepetition LP Lenders, this Amended Final Order;

(d) A chapter 11 plan is confirmed and becomes effective for the LP Obligors;

(e) An order of this Court shall be entered appointing an examiner with enlarged powers in any of the Chapter 11 Cases of the LP Obligors, or any LP Obligor shall file a motion or other pleading seeking the dismissal of its Chapter 11 Case under section 1112 of the Bankruptcy Code or otherwise;

(f) Except as expressly allowed in this Amended Final Order or the DIP Order, an order of this Court shall be entered granting any lien on, or security interest in, any Prepetition LP Collateral in favor of any party other than the Prepetition LP Agent or Prepetition LP Collateral Trustee, as the case may be, on behalf of the Prepetition LP Secured Parties, that is senior to, or pari passu with, the Prepetition LP Liens or the LP Adequate Protection Liens or



granting an administrative claim payable by an LP Obligor to any party other than the Prepetition LP Agent or Prepetition LP Collateral Trustee, as the case may be, on behalf of the Prepetition LP Secured Parties, that is senior to, or pari passu with, the LP Section 507(b) Claim without the express written consent of the Prepetition LP Agent;

(g) An order of this Court shall be entered approving any claims for recovery of amounts under section 506(c) of the Bankruptcy Code or otherwise arising from the preservation or disposition of any Prepetition LP Collateral;

(h) An order of this Court shall be entered granting relief from the automatic stay under section 362 of the Bankruptcy Code with respect to all or any material portion of the property of the LP Obligors' estates except in connection with financing provided to the Inc. Obligors in connection with the DIP Order;

(i) The Debtors shall make any payment (including "adequate protection" payments) on or in respect of any prepetition indebtedness or prepetition obligations of an LP Obligor other than (i) on account of the Prepetition LP Obligations under the Prepetition Credit Documents, (ii) as permitted under this Amended Final Order, or (iii) as permitted by any order of this Court;

(j) The Debtors shall seek to, or shall support (in any such case by way of, inter alia, any motion or other pleading filed with this Court or any other writing to another party in interest executed by or on behalf of the Debtors) any other person's motion to disallow or subordinate in whole or in part any Prepetition LP Secured Party's claim in respect of the Prepetition LP Obligations, or to challenge the validity, enforceability, perfection, or priority of the liens in favor of the Prepetition LP Agent or the Prepetition LP Lenders (including, without limitation, any Prepetition LP Liens);

(k) The Debtors file a motion seeking to obtain any credit or incur any financing indebtedness that is secured by a lien on, or security interest in, the Prepetition LP Collateral which is senior to or pari passu with the Prepetition LP Liens or the LP Adequate Protection Liens, or having administrative priority status which is senior to or pari passu with the LP Section 507(b) Claim, other than the proposed 507(b) claim against LightSquared Inc. pursuant to the DIP Order.

(l) The Debtors shall file any pleading seeking, or otherwise consenting to, or shall support or acquiesce in any other person's motion as to, any of the matters set forth in paragraphs (a) through (c) above and paragraphs (e) through (g) above;

(m) The Debtors shall fail to comply with the terms of this Amended Final Order in any material respect, it being understood that non-compliance with the Permitted Variance shall constitute material non-compliance with this Amended Final Order; or

(n) December 31, 2013.

15. Withdrawal of Consent To Use Prepetition Inc. Collateral. The consent of the Prepetition Inc. Agent and the Prepetition Inc. Lenders under this Amended Final Order to use the Prepetition Inc. Collateral will be withdrawn upon any of the following:

(a) This Court enters an order dismissing any of the Chapter 11 Cases of the Debtors with material assets or converting any such Chapter 11 Cases to cases under chapter 7;

(b) This Court enters an order appointing a chapter 11 trustee in any of the Chapter 11 Cases of the Debtors with material assets that is not stayed following entry;

(c) This Court enters an order appointing an examiner with expanded powers in any of the Chapter 11 Cases of the Inc. Obligors;

(d) This Court enters an order staying, reversing, or vacating, in a manner materially adverse to the Prepetition Inc. Agent or the Prepetition Inc. Lenders and without prior consent of the Prepetition Inc. Agent or the Prepetition Inc. Lenders, this Amended Final Order;

(e) The Debtors fail to make payments under the One Dot Six Lease when due thereunder without the prior written consent of the Prepetition Inc. Agent;

(f) This Court enters an order approving the sale of all or substantially all of the Prepetition Inc. Collateral that does not provide for the payment in respect thereof to be remitted to the Prepetition Inc. Agent in respect of the Prepetition Inc. Obligations;

(g) A chapter 11 plan is confirmed and becomes effective for the Inc. Obligors;

(h) Except as expressly allowed in this Amended Final Order or the DIP Order and subject to the reservation of rights set forth in paragraph 4 of this Amended Final Order, an order of this Court shall be entered granting any lien on, or security interest in, any Prepetition Inc. Collateral in favor of any party other than the Prepetition Inc. Agent, on behalf of the Prepetition Inc. Secured Parties, that is senior to, or *pari passu* with, the Prepetition Inc. Liens or the Inc. Adequate Protection Liens or granting an administrative claim payable by an Inc. Obligor (other than LightSquared Inc.) to any party other than the Prepetition Inc. Agent on behalf of the Prepetition Inc. Secured Parties, that is senior to, or *pari passu* with, the Inc. Section 507(b) Claim without the express written consent of the Prepetition Inc. Agent;

(i) The Debtors file a motion (other than a motion filed in connection with (i) the approval of the DIP Order or (ii) the reservation of rights set forth in paragraph 4 of this Amended Final Order), seeking to obtain any credit or incur any financing indebtedness that is secured by a lien on, or security interest in, the Prepetition Inc. Collateral which is senior to or

*pari passu* with the Prepetition Inc. Liens or the Inc. Adequate Protection Liens, or having administrative priority status which is senior to or *pari passu* with the Inc. Section 507(b) Claim;

(j) The Debtors file a motion challenging the Prepetition Inc. Agent's or the Prepetition Inc. Lenders' claims or liens; or

(k) November 15, 2013 (each of the foregoing, an "Inc. Withdrawal Event").

Upon the occurrence of an Inc. Withdrawal Event, the Prepetition Inc. Agent and the Prepetition Inc. Lenders may, upon shortened notice and an emergency hearing, request additional adequate protection from the Court or such other remedy as the Court may deem just and proper, and the Debtors and other parties in interest reserve all of their rights to object to such request.

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

17. Limitation on Charging Expenses Against Collateral.

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

(b) Except to the extent of the LP Carve-Out, no expenses of administration of these Chapter 11 Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, charged or incurred during the

period which the Debtors are authorized to use Cash Collateral under this Amended Final Order, shall be charged against or recovered from the Prepetition LP Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law or in equity, without the prior written consent of Prepetition LP Agent, and no such consent shall be implied from any other action or inaction by the Prepetition LP Agent or the Prepetition LP Lenders.

18. Equities of the Case. Effective upon entry of the Initial Cash Collateral Order and in light of the subordination of their liens to the respective Carve-Outs, the Prepetition Secured Parties have been entitled to all benefits of Bankruptcy Code section 552(b), and the “equities of the case” exception under Bankruptcy Code section 552(b) does not apply to such parties with respect to the proceeds, product, offspring, or profits of any of their Prepetition Collateral.

19. Credit Bid Rights. The Prepetition Agents shall have the right to “credit bid” the Prepetition Inc. Obligations under the Prepetition Inc. Credit Agreement or the Prepetition LP Obligations under the Prepetition LP Credit Agreement, as applicable, during any sale of any of the Prepetition Inc. Collateral or Prepetition LP Collateral, as applicable, including, without limitation, in connection with sales occurring pursuant to Bankruptcy Code section 363 or included as part of any plan subject to confirmation under Bankruptcy Code section 1129.

20. Joint and Several Liability. Nothing in this Amended Final Order shall be construed to constitute a substantive consolidation of any of the Debtors’ estates, it being understood, however, that the Inc. Obligors and the LP Obligors shall be jointly and severally liable for their respective obligations hereunder. Notwithstanding the foregoing, the Inc. Obligors shall not be liable for the LP Obligations and the LP Obligors shall not be liable for the Inc. Obligations; provided, however, that LightSquared Inc. shall be liable for both the Inc.

Obligations and the LP Obligations consistent with the terms of the Prepetition Facilities and this Amended Final Order.

21. Reservation of Rights of Prepetition Secured Parties. Notwithstanding any other provision hereof, the grant to and acceptance by the Prepetition Secured Parties of adequate protection pursuant hereto shall in no way be construed as an acknowledgment by the Prepetition Secured Parties that they are in fact adequately protected. Solely to the extent that the Second Exclusivity Extension Order is breached by the Debtors, the Prepetition Secured Parties may seek Court approval to modify the grant of adequate protection provided hereby so as to provide different or additional adequate protection at any time, or seek Court approval to terminate use of Cash Collateral at any time; provided, however, that all rights of any party in interest to object to such modification of the grant of adequate protection provided hereby or to seek to use Cash Collateral on a nonconsensual basis are fully preserved. Except as expressly provided herein, nothing contained in this Amended Final Order (including without limitation, the authorization to use any Prepetition Collateral, including Cash Collateral) shall impair or modify any rights, claims, or defenses available in law or equity to the Prepetition Secured Parties, including the Ad Hoc LP Secured Group. Nothing in this Amended Final Order shall be construed as a finding that the Prepetition LP Lenders or the Prepetition Inc. Lenders are adequately protected, it being understood that the use of their Prepetition Collateral, including Cash Collateral, hereunder is consensual.

22. Modification of the Automatic Stay. The automatic stay imposed under section 362(a) of the Bankruptcy Code is hereby modified as necessary to effectuate all of the terms and provisions of this Amended Final Order, including, without limitation, to (a) permit the Debtors to grant the Adequate Protection Liens and the Section 507(b) Claims, (b) permit the Debtors to

perform such acts as the Prepetition Agents may request in their sole discretion to assure the perfection and priority of the liens granted herein, (c) permit the Debtors to incur all liabilities and obligations to the Prepetition Secured Parties under this Amended Final Order, and (d) authorize the Debtors to pay, and the Prepetition Agents to retain and apply, payments made in accordance with the terms of this Amended Final Order.

23. Master Proofs of Claim.

(a) To facilitate the processing of claims, to ease the burden upon this Court, and to reduce any unnecessary expense to the Debtors' estates, (i) the Prepetition Inc. Agent is authorized (but not required) to file a single master proof of claim (a "Master Proof of Claim"), on behalf of itself and the Prepetition Inc. Lenders, on account of their claims arising under the Prepetition Inc. Credit Agreement against LightSquared Inc. only, and (ii) the Prepetition LP Agent is authorized (but not required) to file a Master Proof of Claim, on behalf of itself and the Prepetition LP Lenders, on account of their claims arising under the Prepetition LP Credit Agreement against LightSquared LP only.

(b) Upon filing of a Master Proof of Claim by the Prepetition Inc. Agent and/or the Prepetition LP Agent, as applicable, the Prepetition Inc. Agent and/or the Prepetition LP Agent, as applicable, and each of their respective successors and assigns shall be deemed to have filed a proof of claim in the amount set forth opposite its name therein in respect of its claims against each of the Inc. Obligors and the LP Obligors, as applicable, arising under the Prepetition Inc. Agreement and the Prepetition LP Agreement, as applicable. The claims (as defined in section 101 of the Bankruptcy Code) of the Prepetition Inc. Agent and/or the Prepetition LP Agent, as applicable, the Prepetition Inc. Lenders and/or the Prepetition LP Lenders, as applicable, and each of their respective successors and assigns named in the Master

Proof of Claim shall be allowed as if each such entity had filed a separate proof of claim in each of the Chapter 11 Cases of the Inc. Obligors and the LP Obligors, as applicable, in the amount set forth in the Master Proof of Claim; provided, however, that the Prepetition Inc. Agent and/or the Prepetition LP Agent, as applicable, may, but shall not be required to, amend the Master Proof of Claim from time to time to, among other things, reflect a change in the holders of the claims set forth therein or a reallocation among such holders of the claims asserted therein resulting from any transfer of any such claims.

(c) The provisions set forth in paragraphs (a) and (b) above are intended solely for the purpose of administrative convenience and, except to the extent set forth herein or therein, neither the provisions of this paragraph nor the Master Proof of Claim shall affect the substantive rights of the Debtors, the Committee, the Prepetition Agents, the other Prepetition Secured Parties, or any other party in interest or their respective successors in interest, including, without limitation, the right of each Prepetition Secured Party (or its successor in interest) to vote separately on any plan of reorganization proposed in these Chapter 11 Cases.

24. No Control. None of the Prepetition LP Secured Parties are control persons or insiders of the Debtors or any of their affiliates by virtue of any of the actions taken with respect to, in connection with, related to, or arising from the Prepetition LP Loan Facility and/or any of the Prepetition Loan Documents or this Amended Final Order. None of the Prepetition Inc. Secured Parties (excluding the Prepetition Inc. Lenders that are affiliates of the Debtors) are control persons or insiders of the Debtors or any of their affiliates by virtue of any of the actions taken with respect to, in connection with, related to, or arising from the Prepetition Inc. Credit Facility and/or any of the Prepetition Inc. Credit Documents or this Amended Final Order.



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

26. Binding Effect of Amended Final Order. Immediately upon execution by this Court, the terms and provisions of this Amended Final Order shall become valid and binding upon and inure to the benefit of the Debtors, the Prepetition Secured Parties, the Committee, any other court-appointed committee appointed in the Chapter 11 Cases, all other creditors of the Debtors, and all other parties in interest and their respective successors and assigns, including any trustee or other fiduciary hereafter appointed in any of the Chapter 11 Cases, any Successor Cases, or upon the dismissal of any Chapter 11 Case or Successor Case.

27. Survival. The provisions of this Amended Final Order and any actions taken pursuant hereto shall survive entry of any order which may be entered: (a) confirming any plan of reorganization in any of the Chapter 11 Cases; (b) converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code; (c) dismissing any of the Chapter 11 Cases or any Successor Cases; or (d) pursuant to which this Court abstains from hearing any of the Chapter 11 Cases or Successor Cases.

28. Nunc Pro Tunc Effect of this Amended Final Order. This Amended Final Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect and be enforceable *nunc pro tunc* to the Petition Date immediately upon execution thereof.

29. Retention of Jurisdiction. The Court has and will retain jurisdiction to enforce this Amended Final Order according to its terms.

New York, New York  
Date: February \_\_, 2013

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Honorable Shelley C. Chapman  
United States Bankruptcy Judge

**Schedule 1**

**Budget**

LightSquared LP Standalone Cash Flow Forecast - June 13, 2012 to June 30, 2013  
(\$ in 000s)

| Quarter<br>Month                             | 2Q12    |         |         | 3Q12    |         |         | 4Q12    |         |         | 1Q13   |        |        | 2Q13   |        |        |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|--------|--------|--------|--------|--------|
|  | Apr-12  | May-12  | Jun-12  | Jul-12  | Aug-12  | Sep-12  | Oct-12  | Nov-12  | Dec-12  | Jan-13 | Feb-13 | Mar-13 | Apr-13 | May-13 | Jun-13 |
| Beginning Cash Balance                       | 264,394 | 199,848 | 195,392 | 185,752 | 172,593 | 155,543 | 140,592 | 128,315 | 113,825 | 97,172 | 84,694 | 69,970 | 52,402 | 40,295 | 28,466 |
| <b>Sources</b>                               |         |         |         |         |         |         |         |         |         |        |        |        |        |        |        |
| Satellite Revenue                            | 3,670   | 2,534   | 2,784   | 3,706   | 2,661   | 2,854   | 3,798   | 2,595   | 2,711   | 2,397  | 2,440  | 2,385  | 3,578  | 2,471  | 2,714  |
| Terrestrial Revenue                          | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Interest Income                              | 21      | 20      | 20      | 26      | 25      | 24      | 23      | 22      | 20      | 19     | 23     | 21     | 19     | 22     | 20     |
| Equity Financing                             | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Debt Financing                               | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Dividend or Loan from LP                     | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Financing Fees                               | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Other  | 139     | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Total Sources                                | 3,830   | 2,554   | 2,803   | 3,732   | 2,686   | 2,877   | 3,821   | 2,616   | 2,731   | 2,416  | 2,463  | 2,606  | 3,597  | 2,493  | 2,734  |
| <b>Uses (OPEX)</b>                           |         |         |         |         |         |         |         |         |         |        |        |        |        |        |        |
| In-Orbit Insurance                           | 862     | -       | -       | -       | 862     | -       | -       | 3,155   | -       | -      | -      | -      | -      | -      | -      |
| ISAT Coop Agmt                               | 56,250  | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| 1.6 GHz Lease & Related Payments             | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| 1.4 GHz Lease                                | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| L-Band network infrastructure                | 239     | 25      | 2       | 70      | 35      | 35      | 35      | 35      | 35      | 35     | 35     | 35     | 35     | 35     | 35     |
| OSS / BSS                                    | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| ERP  | 45      | 54      | -       | 204     | 45      | 204     | 125     | 125     | 284     | 45     | 45     | 204    | 45     | 45     | 204    |
| Partner Enablement                           | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| GIS Marketing, TWG Related, Technology       | 395     | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Spectrum Management                          | -       | 150     | 125     | 100     | 100     | 100     | 100     | 100     | 100     | 100    | 100    | 100    | 100    | 100    | 100    |
| Staffing Related (entire company)            | 2,789   | 2,676   | 4,942   | 2,191   | 2,171   | 5,294   | 2,156   | 2,087   | 2,141   | 2,328  | 6,223  | 2,278  | 2,201  | 2,261  | 2,179  |
| Legal / Regulatory / Lobbying / Internatnl   | 5,998   | 911     | 1,176   | 1,682   | 1,637   | 1,234   | 2,099   | 1,226   | 1,184   | 1,141  | 1,193  | 1,193  | 1,193  | 1,141  | 1,193  |
| Contingency for Legal/Regul/Lobbying/Int     | -       | 46      | 59      | 94      | 82      | 62      | 105     | 61      | 59      | 57     | 60     | 60     | 60     | 57     | 60     |
| Facilities/Telecom                           | 513     | 145     | 1,127   | 696     | 696     | 696     | 696     | 696     | 696     | 696    | 696    | 696    | 696    | 696    | 696    |
| G&A  | 562     | 494     | (1,821) | 363     | 396     | 339     | 475     | 440     | 419     | 294    | 443    | 5,760  | 332    | 494    | 539    |
| Funds from Inc to pay LP expenses (in Ch.11) | -       | (2,000) | 2,000   | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Travel Expenses (entire company)             | 67      | 148     | 195     | 128     | 123     | 123     | 123     | 123     | 123     | 115    | 115    | 115    | 115    | 115    | 115    |
| Other Items                                  | 1,226   | 1,462   | 2,362   | 1,376   | 2,128   | 1,546   | 1,477   | 1,581   | 941     | 1,355  | 1,275  | 1,431  | 1,275  | 1,275  | 1,362  |
| Subtotal - USES (OPEX)                       | 68,946  | 4,111   | 10,166  | 7,104   | 8,275   | 9,632   | 7,390   | 9,638   | 5,981   | 6,165  | 10,184 | 11,871 | 6,052  | 6,219  | 6,483  |
| Boeing Payments                              | 14      | 125     | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | 2,025  | -      | -      |
| Launch Services                              | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Qualcomm                                     | 40      | 760     | -       | 380     | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Alcatel Lucent S-87S                         | -       | -       | 1,500   | -       | 3,400   | -       | -       | -       | 6,400   | -      | -      | 1,300  | -      | -      | -      |
| HNS  | 309     | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Sprint                                       | (2,333) | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| 1.6 GHz related (other than spectrum)        | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Current Network Maintenance/Capex            | -       | -       | -       | 250     | -       | 250     | -       | 500     | -       | 625    | -      | -      | 625    | -      | -      |
| RAN (MSN)                                    | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Core   | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Lab / NOC / System Integration               | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| BandRich                                     | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| AnyData                                      | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Subtotal - USES (CAPEX)                      | (1,970) | 885     | 2,256   | 630     | 3,400   | 250     | -       | 500     | 6,400   | 625    | -      | 1,300  | 2,650  | -      | -      |
| Cash Interest                                | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| <b>Debit Service</b>                         |         |         |         |         |         |         |         |         |         |        |        |        |        |        |        |
| Restructuring Related                        | 1,400   | 2,014   | 22      | 2,905   | 1,812   | 1,696   | 2,459   | 728     | 793     | 1,853  | 753    | 753    | 753    | 1,853  | 753    |
| LP Adequate Protection Payments              | -       | -       | -       | 6,250   | 6,250   | 6,250   | 6,250   | 6,250   | 6,250   | 6,250  | 6,250  | 6,250  | 6,250  | 6,250  | 6,250  |
| Total Uses                                   | 68,376  | 7,010   | 12,444  | 16,890  | 19,737  | 17,828  | 16,098  | 17,106  | 19,384  | 14,893 | 17,187 | 20,174 | 15,705 | 14,322 | 13,486 |
| Ending Cash Balance Cur Forecast             | 199,848 | 195,392 | 185,752 | 177,593 | 155,543 | 140,592 | 128,315 | 113,825 | 97,172  | 84,694 | 69,970 | 52,402 | 40,295 | 28,466 | 17,714 |

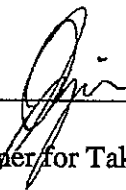
LightSquared LP Standalone Cash Flow Forecast - July 1, 2013 to December 31, 2013

(\$ in 000s)

| Quarter                                       | 3Q13          |               |               |               | 4Q13          |                |  |  |
|---|---------------|---------------|---------------|---------------|---------------|----------------|--|--|
|   | Jul-13        | Aug-13        | Sep-13        | Oct-13        | Nov-13        | Dec-13         |  |  |
| Beginning Cash Balance                        | 63,972        | 57,091        | 39,628        | 28,291        | 16,239        | 3,685          |  |  |
| <b>Sources</b>                                |               |               |               |               |               |                |  |  |
| Satellite Revenue                             | 2,358         | 3,835         | 1,328         | 2,289         | 3,982         | 1,279          |  |  |
| Terrestrial Revenue                           | -             | -             | -             | -             | -             | -              |  |  |
| Interest Income                               | 7             | 7             | 5             | 4             | 2             | 1              |  |  |
| Equity Financing                              | -             | -             | -             | -             | -             | -              |  |  |
| Debt Financing                                | -             | -             | -             | -             | -             | -              |  |  |
| Harbinger Investment                          | -             | -             | -             | -             | -             | -              |  |  |
| Dividend or Loan from LP                      | -             | -             | -             | -             | -             | -              |  |  |
| Intra Inc. Group Transfers                    | -             | -             | -             | -             | -             | -              |  |  |
| Financing Fees                                | -             | -             | -             | -             | -             | -              |  |  |
| Other   | -             | -             | -             | -             | -             | -              |  |  |
| <b>Total Sources</b>                          | <b>2,365</b>  | <b>3,841</b>  | <b>1,333</b>  | <b>2,293</b>  | <b>3,984</b>  | <b>1,280</b>   |  |  |
| <b>Uses (OPEX)</b>                            |               |               |               |               |               |                |  |  |
| In-Orbit / Launch Insurance                   | -             | -             | -             | -             | 2,911         | -              |  |  |
| ISAT Coop Agmt                                | -             | -             | -             | -             | -             | -              |  |  |
| 1.6 GHz Lease & Related Payments              | -             | -             | -             | -             | -             | -              |  |  |
| 1.4 GHz Lease                                 | -             | -             | -             | -             | -             | -              |  |  |
| L-Band network Infrastructure                 | 12            | 12            | 12            | 12            | 12            | 12             |  |  |
| OSS / BSS                                     | -             | -             | -             | -             | -             | -              |  |  |
| ERP   | 22            | 137           | 22            | 22            | 180           | 22             |  |  |
| Partner Enablement                            | -             | -             | -             | -             | -             | -              |  |  |
| GPS Marketing, TWG Related, Technology        | -             | -             | -             | -             | -             | -              |  |  |
| Spectrum Management                           | 100           | 100           | 100           | 100           | 100           | 100            |  |  |
| Staffing Related (entire company)             | 2,674         | 1,821         | 1,814         | 1,809         | 1,804         | 1,801          |  |  |
| Legal / Regulatory / Lobbying / International | 1,118         | 1,058         | 1,331         | 1,753         | 1,054         | 1,064          |  |  |
| Contingency for Legal/Regul/Lobbying/ Int     | 56            | 53            | 67            | 88            | 53            | 53             |  |  |
| Facilities/Telecom                            | 645           | 645           | 645           | 645           | 645           | 645            |  |  |
| G&A   | 286           | 286           | 286           | 421           | 286           | 395            |  |  |
| Funds from Inc to pay LP expenses (in Ch.11)  | -             | -             | -             | -             | -             | -              |  |  |
| Travel Expenses (entire company)              | 50            | 50            | 50            | 50            | 50            | 50             |  |  |
| Other Items                                   | 1,838         | 846           | 1,098         | 1,265         | 1,573         | 925            |  |  |
| <b>Subtotal - USES (OPEX)</b>                 | <b>6,800</b>  | <b>5,008</b>  | <b>5,424</b>  | <b>6,163</b>  | <b>8,567</b>  | <b>5,067</b>   |  |  |
| <b>Uses (CAPEX)</b>                           |               |               |               |               |               |                |  |  |
| Boeing Payments                               | -             | 3,425         | -             | -             | -             | -              |  |  |
| Launch Services                               | -             | -             | -             | -             | -             | -              |  |  |
| Qualcomm                                      | -             | -             | -             | -             | -             | -              |  |  |
| Alcatel Lucent S-BTS                          | -             | -             | -             | -             | -             | -              |  |  |
| HNS   | -             | -             | -             | -             | -             | -              |  |  |
| Sprint  | -             | -             | -             | -             | -             | -              |  |  |
| 1.6 GHz related (other than spectrum)         | -             | -             | -             | -             | -             | -              |  |  |
| Current Network Maintenance/Capex             | 100           | 625           | -             | -             | 625           | -              |  |  |
| RAN (NSN)                                     | -             | -             | -             | -             | -             | -              |  |  |
| Core  | -             | -             | -             | -             | -             | -              |  |  |
| Lab / NOC / System Integration                | -             | -             | -             | -             | -             | -              |  |  |
| BandRich                                      | -             | -             | -             | -             | -             | -              |  |  |
| AnyData                                       | -             | -             | -             | -             | -             | -              |  |  |
| <b>Subtotal - USES (CAPEX)</b>                | <b>100</b>    | <b>4,050</b>  | <b>-</b>      | <b>-</b>      | <b>625</b>    | <b>-</b>       |  |  |
| <b>Debt Service</b>                           |               |               |               |               |               |                |  |  |
| Cash Interest                                 | -             | -             | -             | -             | -             | -              |  |  |
| Restructuring Prof excl W&C / Blackstone      | 1,096         | 956           | 995           | 1,932         | 596           | 986            |  |  |
| LP Adequate Protection Payments               | 6,250         | 6,250         | 6,250         | 6,250         | 6,250         | 6,250          |  |  |
| <b>Total Uses</b>                             | <b>14,246</b> | <b>16,304</b> | <b>12,670</b> | <b>14,346</b> | <b>16,538</b> | <b>12,313</b>  |  |  |
| <b>Ending Cash Balance Cur Forecast</b>       | <b>52,091</b> | <b>39,628</b> | <b>28,291</b> | <b>16,239</b> | <b>3,685</b>  | <b>(7,348)</b> |  |  |
| Cash at TMI                                   | 11,447        | 11,447        | 11,447        | 11,447        | 11,447        | 11,447         |  |  |
| Ending Cash Balance Including Cash at TMI     | 63,538        | 51,075        | 39,738        | 27,686        | 15,133        | 4,099          |  |  |

**TAB D**

Exhibit "D" to the Affidavit of Elizabeth Creary,  
sworn before me this 1st day of March, 2013.



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Commissioner for Taking Affidavits, etc.

Jawaaid Panjwani, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law,  
Expires April 6, 2014

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

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

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

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

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

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion or in the Montagner Declaration, as applicable.



121208013021900000000001



providing adequate 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 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, 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 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 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 (each as defined below); 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 (as defined below) through and including December 31, 2013 on substantially similar terms as currently set forth in the Initial Cash Collateral Order (the

“Amended Final 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 it appearing to the Court that entry of this Amended Final 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 adequate protection being provided on account of the interests in and liens on property of the estates on which liens are granted subject to the full reservations of rights set forth herein; and after due deliberation and consideration, and for good and sufficient cause appearing therefor;

BASED UPON THE CONSENT SET FORTH HEREIN OF THE PARTIES AND SUBJECT TO THE FULL RESERVATIONS OF RIGHTS, AND UPON THE RECORD ESTABLISHED AT THE FINAL HEARING BY THE DEBTORS, THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

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

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

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

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

E. Debtors’ Debt Structure.

(i) Inc. Debt Structure.<sup>3</sup> Subject to paragraph 12 of this Amended Final Order, the Debtors acknowledge, admit, represent, stipulate, and agree that:

(a) Prepetition Inc. Credit Facility. Pursuant to that certain Credit Agreement, dated as of July 1, 2011 (as amended, supplemented, amended and restated, or otherwise modified from time to time, the “Prepetition Inc. Credit Agreement” and, together with all related credit and security documents, the “Prepetition Inc. Credit Documents”), between LightSquared Inc., as borrower, the subsidiary guarantors party thereto, namely One Dot Four Corp., One Dot Six Corp., and One Dot Six TVCC Corp. (collectively, the “Prepetition Inc. Subsidiary Guarantors” and, together with LightSquared Inc., the “Inc. Obligors”), the lenders party thereto (collectively, the “Prepetition Inc. Lenders”) and U.S. Bank National Association, as successor administrative agent to UBS AG, Stamford Branch (in such capacity, the “Prepetition Inc. Agent”), the Prepetition Inc. Lenders provided term loans to or for the benefit of LightSquared Inc. (the “Prepetition Inc. Credit Facility”).

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<sup>3</sup> The terms of this Amended Final Order as pertains to the Prepetition Inc. Facility, the Prepetition Inc. Obligations, the Prepetition Inc. Liens, the Prepetition Inc. Agent, and the Prepetition Inc. Lenders (each as defined below) are superseded in all respects by the *Final Order, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, and 507, (A) Authorizing Inc. Obligors To Obtain Postpetition Financing, (B) Granting Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 224] (as amended, supplemented, restated, or otherwise modified, the “DIP Order”).

(b) Prepetition Inc. Obligations. The Prepetition Inc. Credit Facility provided LightSquared Inc. with term loans in the aggregate principal amount of \$278,750,000. As of the Petition Date, an aggregate principal amount of approximately \$322,333,494 was outstanding under the Prepetition Inc. Credit Agreement (collectively, with any amounts unpaid, incurred, or accrued prior to the Petition Date in accordance with the Prepetition Inc. Credit Documents (including unpaid principal, accrued, and unpaid interest, any fees, expenses, and disbursements), indemnification obligations, and other charges, amounts, and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing, or chargeable in respect of any of the Inc. Obligors' obligations pursuant to the Prepetition Inc. Credit Documents, including all "Obligations" as described in the Prepetition Inc. Credit Agreement, the "Prepetition Inc. Obligations").

(c) Prepetition Inc. Collateral. To secure the Prepetition Inc. Obligations, the Inc. Obligors granted to the Prepetition Inc. Agent for the benefit of the Prepetition Inc. Lenders first-priority security interests in and liens (the "Prepetition Inc. Liens") on (a) the One Dot Six Lease (as defined in the Prepetition Inc. Credit Documents), (b) the One Dot Four Lease (as defined in the Prepetition Inc. Credit Documents),<sup>4</sup> (c) the capital stock of each Prepetition Inc. Subsidiary Guarantor, and (d) all proceeds and products of each of the foregoing whether obtained prepetition or postpetition (collectively, the "Prepetition Inc. Collateral"). The Prepetition Inc. Collateral does not include cash other than proceeds of the Prepetition Inc. Collateral.

(d) Notwithstanding anything contained in this Amended Final Order to the contrary, the Prepetition Inc. Agent and the Prepetition Inc. Lenders have asserted that interest

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<sup>4</sup> Although the One Dot Four Lease was terminated, the Prepetition Inc. Agent retains a first priority security interest in any remaining collateral.

on the Prepetition Inc. Obligations is accruing at the default rate of 17% (as opposed to the non-default contract rate of 15%) as of April 30, 2012 and will increase to 20% on June 29, 2012. The Debtors dispute that there was a prepetition default under the Prepetition Inc. Credit Facility. The Debtors and the Prepetition Inc. Agent have agreed that pending entry of the DIP Order, interest on the Prepetition Inc. Obligations shall accrue at the non-default contract rate under the Prepetition Inc. Credit Facility, as of the Petition Date, and upon entry of the DIP Order, such interest shall accrue at the applicable default rate commencing as of the Petition Date.

(ii) LP Debt Structure. Subject to paragraph 12 of this Amended Final Order, the Debtors acknowledge, admit, represent, stipulate, and agree that:

(a) Prepetition LP Credit Facility. Pursuant 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” and, together with all related credit and security documents, the “Prepetition LP Credit Documents” and, together with the Prepetition Inc. Credit Documents, the “Prepetition Credit Documents”), 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 the Prepetition LP Parent Guarantors and LightSquared LP, the “LP Obligors”), the lenders party thereto (the “Prepetition LP Lenders” and, together with the Prepetition Inc. Lenders, the “Prepetition Lenders”), UBS AG, Stamford Branch, as administrative agent (in such

capacity, and together with Wilmington Trust FSB,<sup>5</sup> the “Prepetition LP Agent” and, together with the Prepetition LP Lenders, the “Prepetition LP Secured Parties”<sup>6</sup>, and other parties thereto, the Prepetition LP Lenders provided term loans to or for the benefit of LightSquared LP (the “Prepetition LP Credit Facility” and, together with the Prepetition Inc. Facility, the “Prepetition Facilities”).

(b) Prepetition LP Obligations. The Prepetition LP Credit Facility provided LightSquared LP with term loans in the aggregate principal amount of \$1,500,000,000. As of the Petition Date, an aggregate principal amount of approximately \$1,700,571,106 was outstanding under the Prepetition LP Credit Agreement (collectively, with any amounts unpaid, incurred, or accrued prior to the Petition Date in accordance with the Prepetition LP Credit Documents (including unpaid principal, accrued and unpaid interest, any fees, expenses, and disbursements), indemnification obligations, and other charges, amounts, and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing, or chargeable in respect of any of the LP Obligors’ obligations pursuant to the Prepetition LP Credit Documents, including all “Obligations” as described in the Prepetition LP Credit Agreement, the “Prepetition LP Obligations” and, together with the Prepetition Inc. Obligations, the “Prepetition Obligations”).

(c) Prepetition LP Collateral. To secure the Prepetition LP Obligations, the LP Obligors granted to the Prepetition LP Agent for the benefit of the Prepetition LP Lenders first-priority security interests in and liens (the “Prepetition LP Liens” and, together with the

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<sup>5</sup> Wilmington Trust FSB serves as collateral trustee (in such capacity, the “Prepetition LP 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.

<sup>6</sup> The Prepetition LP Agent, together with the Prepetition Inc. Agent, are the “Prepetition Agents” and, together with the Prepetition Lenders, the “Prepetition Secured Parties.”

Prepetition Inc. Liens, the "Prepetition Liens") on (a) substantially all of the assets of LightSquared LP and the Prepetition LP Subsidiary Guarantors, (b) the equity interests of LightSquared LP and the Prepetition LP Parent Guarantors (except LightSquared Inc.), (c) certain equity interests owned by the Pledgors (as defined in the applicable Prepetition LP Security Agreement (as defined herein)), (d) the Intercompany Notes (as defined in the Prepetition LP Security Agreements) and (e) the rights of LightSquared Inc. under and arising out of that certain Amended and Restated Cooperation Agreement, dated as of August 6, 2010 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Inmarsat Cooperation Agreement"), by and between LightSquared LP, SkyTerra (Canada) Inc., LightSquared Inc., and Inmarsat Global Limited (collectively, the "Prepetition LP Collateral") and, together with the Prepetition Inc. Collateral, the "Prepetition Collateral"). For the avoidance of doubt, the Prepetition LP Collateral includes any proceeds, substitutions or replacements of any of the forgoing (unless such proceeds, substitutions or replacements would constitute Excluded Property (as defined in Prepetition LP Credit Documents)).<sup>7</sup>

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<sup>7</sup> The Prepetition LP Collateral does not include the following: (a) any permit or license issued by a Governmental Authority (as defined in the Prepetition LP Credit Agreement) or other agreement to the extent and for so long as the terms thereof validly prohibit the creation by the pledgor thereof of a security interest in such permit, license, or other agreement; (b) property subject to any Purchase Money Obligation, Vendor Financing Indebtedness, or Capital Lease Obligations (in each case, as such term is defined in the Prepetition LP Credit Agreement) if the contract or other agreement in which such lien is granted validly prohibits the creation of any other lien on such property; (c) the SkyTerra-2 satellite, while title remains with Boeing Satellite Systems, Inc. ("BSSI"), and those ground segment assets related to the SkyTerra-2 satellite, while title remains with BSSI; (d) any intent-to-use trademark application to the extent and for so long as a security interest therein would result in the loss by the pledgor thereof of any material rights therein; (e) certain deposit and securities accounts securing currency hedging or credit card vendor programs or letters of credit provided to vendors in the ordinary course of business; (f) equity interests in (i) excess of 66% in non-U. S. subsidiaries (other than the Canadian Subsidiaries (as defined in the Prepetition LP Credit Agreement)) held by a US subsidiary, (ii) LightSquared Network LLC, and (iii) any joint venture or similar entity to the extent and for so long as the terms of such investment restrict such security interest; and (g) any consumer goods subject to the Canadian Security Agreement (as defined in the Prepetition LP Credit Agreement). For the avoidance of doubt, the Prepetition LP Collateral includes any proceeds, substitutions, or replacements of any of the forgoing (unless such proceeds, substitutions, or replacements would constitute Excluded Property (as defined in Prepetition LP Credit Documents)).

F. Findings Regarding the Use of Prepetition Collateral.

(i) Need for Use of Prepetition Collateral, Including Cash Collateral. The Debtors' need to use Prepetition Collateral, including Cash Collateral of the Prepetition LP Lenders, is critical to enable the Debtors to continue operations and to administer and preserve the value of their estates. The ability of the Debtors to engage in ongoing discussions with the Federal Communications Commission ("FCC") regarding the deployment of the Debtors' network, to maintain business relationships with their vendors, suppliers and customers, including public safety agencies, to pay their employees, and to otherwise finance their operations requires the use of Prepetition Collateral, including Cash Collateral of the Prepetition LP Lenders, the absence of which would result in immediate and irreparable loss or damage to the Debtors, their estates, and their creditors. The Debtors do not have sufficient available sources of unencumbered cash to operate their businesses or maintain their properties in the ordinary course of business without the authorized use of the Prepetition LP Lenders' Cash Collateral.

(ii) Use of Cash Collateral. The Debtors have agreed to use the Prepetition LP Lenders' Cash Collateral in a manner consistent with the expenditure line items (which, for the avoidance of doubt, do not include restructuring professional fees and amounts paid to Prepetition Secured Parties) in the budget (the "Budget," which is attached hereto as Schedule 1), for (a) working capital and other general corporate purposes, (b) permitted payment of costs of administration of the Chapter 11 Cases, and (c) payment of such prepetition expenses as approved by this Court.<sup>8</sup> The Debtors may use the Prepetition LP Lenders' Cash Collateral in excess of the amount set forth in the Budget for any particular expenditure line item so long as

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<sup>8</sup> Notwithstanding such authorization, all rights of all parties in interest to seek to allocate overhead among the Debtors' estates shall be fully preserved.



the percentage deviation for all operating expenditure line items during any two-month period<sup>9</sup> shall not exceed fifteen percent (15%) (the “Permitted Variance”), in the aggregate, of the amount set forth in the Budget for all operating expenditure line items for such two-month period (or such shorter period commencing on the date of entry of the Amended Final Order); provided, that (i) no payments (e.g., bonuses, severance payments, or critical vendor payments) which require the Court’s approval shall be included in the Permitted Variance calculus in determining compliance with the Budget until such payments are approved, and (ii) restructuring professional fees and amounts paid to Prepetition Secured Parties shall be excluded from the Permitted Variance calculus (all other professional fees shall be included in determining compliance with the Budget). Notwithstanding anything to the contrary in this Amended Final Order, capital expenditure line items (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 December 31, 2013.

G. Adequate Protection. As a result of the use of the Prepetition Collateral authorized herein, the Prepetition Secured Parties are entitled to receive adequate protection pursuant to sections 361, 362, and 363 of the Bankruptcy Code for any diminution in the value (“Diminution in Value”) of their respective interest in the Prepetition Collateral resulting from the Debtors’ use, sale, or lease of the Prepetition Collateral during the Debtors’ Chapter 11 Cases and as a result of the imposition of the automatic stay. The Prepetition Secured Parties have agreed and consented to the use of their respective Prepetition Collateral, including Cash Collateral, on the terms set forth herein, including in exchange for (a) the Adequate Protection Liens and the 507(b) Claims (to the extent of any Diminution in Value), (b) the Adequate

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<sup>9</sup> Or such shorter period commencing on the date of entry of the Amended Final Order.

Protection Payments (each as defined herein) and (c) the other provisions and benefits set forth herein; provided, however, that to the extent the Prepetition Secured Parties are entitled to accrue interest, fees, costs or charges under Bankruptcy Code section 506(b), this Amended Final Order shall not in any way impair such entitlement.

H. Bankruptcy Code Sections 506(c) and 552(b). In light of (a) the Prepetition Inc. Agent's agreement to subordinate and the absence of an objection by the Prepetition Inc. Lenders to the subordination of their liens and the Inc. Section 507(b) Claim (as defined herein) to the Inc. Carve-Out (as defined herein) and (b) the agreement of certain holders of the Prepetition LP Obligations which formed an Ad Hoc Working Group of Prepetition LP Secured Parties (the "Ad Hoc LP Secured Group") and the Prepetition LP Agent to subordinate the Prepetition LP Agent's and the Prepetition LP Lenders' liens and the LP Section 507(b) Claim (as defined herein) to the LP Carve-Out (as defined herein), the Prepetition Secured Parties are entitled to a waiver of the provisions of Bankruptcy Code sections 506(c) and 552(b), to the extent set forth below.

I. Good Cause; Immediate Entry. The relief requested in the Motion is necessary, essential, and appropriate, and is in the best interests of, and will benefit, the Debtors, their estates, and their creditors and equity holders, as its implementation will, *inter alia*, provide the Debtors with the necessary liquidity to (a) minimize the disruption to the Debtors' businesses and ongoing operations, (b) preserve and maximize the value of the Debtors' estates for the benefit of all the Debtors' creditors and equity holders, and (c) avoid immediate and irreparable harm to the Debtors, their estates, their creditors and equity holders, their businesses, their employees, and their assets.

J. Notice. Good and sufficient notice of the Amended Final Order has been provided by the Debtors to (a) the U.S. Trustee, (b) the entities listed on the Consolidated List of

Creditors Holding the 20 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d), (c) counsel to the Prepetition Agents, (d) counsel to the Ad Hoc LP Secured Group, (e) counsel to Harbinger Capital Partners LLC (“Harbinger”), (f) the Internal Revenue Service, (g) the United States Attorney for the Southern District of New York, (h) the FCC, (i) Industry Canada, and (j) all parties having filed a request for notice under Bankruptcy Rule 2002. The Debtors have made reasonable efforts to afford the best notice possible under the circumstances, and such notice is good and sufficient to permit the relief set forth in this Amended Final Order.

Based upon the foregoing findings and conclusions, the Motion and record before the Court with respect to the Motion, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED that:

1. Relief Granted and Initial Cash Collateral Order Ratified. The Amended Final Order is granted to the extent set forth herein and the use of Prepetition Collateral, including Cash Collateral, on a final basis is authorized, subject to the terms and conditions and to the full reservations of rights set forth in this Amended Final Order. The terms of the Initial Cash Collateral Order are hereby ratified and affirmed, except to the extent amended or modified by this Amended Final Order.

2. Objections Overruled. Any objection to this Amended Final Order, to the extent not withdrawn or resolved, is hereby overruled.

**Authorization To Use Cash Collateral**

3. Use of Cash Collateral. Subject to the terms and conditions of this Amended Final Order, and in accordance with the Budget (subject to the Permitted Variance), the Debtors are authorized to use Cash Collateral until the occurrence of an LP Termination Event (as defined herein) or as otherwise ordered by the Court (the “Termination Date”). Nothing in this Amended Final Order shall authorize the disposition of any assets of the Debtors or their estates

outside the ordinary course of business, or any Debtor's use of any Cash Collateral or proceeds resulting therefrom, except as permitted in this Amended Final Order and in accordance with the Budget.

4. Cash Management System. The Debtors shall maintain their cash management system as approved by the Court pursuant to the Final Order (A) Authorizing Debtors to (I) Continue Using Existing Cash Management Systems, Bank Accounts and Business Forms and (II) Continue Intercompany Transactions, (B) Providing Postpetition Intercompany Claims Administrative Expense Priority, (C) Authorizing Debtors' Banks to Honor All Related Payment Requests, and (D) Waiving Investment Guidelines of Section 345(b) of Bankruptcy Code [ECF No. 115]. The Ad Hoc Secured Group hereby consents to the repayment, to LightSquared Inc., of any costs and expenses paid on behalf of the LP Obligors' estates since the Petition Date. In the event the DIP Order is not entered, the Debtors reserve all of their rights to seek further order of this Court authorizing distribution of the Prepetition LP Lenders' Cash Collateral to the Inc. Obligors to fund their costs and expenses, administration of their estates, and operation of their businesses. All parties reserve their all of their rights in connection with such request.

5. Adequate Protection Liens.

(a) Inc. Adequate Protection Liens. Pursuant to sections 361, 362, and 363(e) of the Bankruptcy Code, as adequate protection of the interests of the Prepetition Inc. Agent and the Prepetition Inc. Lenders in the Prepetition Inc. Collateral against any Diminution in Value of their interests in the Prepetition Inc. Collateral, the Debtors hereby grant to the Prepetition Inc. Agent, for the benefit of itself and the Prepetition Inc. Lenders, effective and perfected as of the Petition Date and without the necessity of the execution by the Debtors of security agreements, pledge agreements, mortgages, financing statements, or other agreements, valid, binding,

enforceable, and perfected postpetition security interests in and liens on the Prepetition Inc. Collateral (the "Inc. Adequate Protection Liens"). For avoidance of doubt, the Prepetition Inc. Agent and the Prepetition Inc. Lenders shall not have an Inc. Adequate Protection Lien on (i) any claims or causes of action under chapter 5 of the Bankruptcy Code or proceeds therefrom, (ii) the assets of the Prepetition LP Subsidiary Guarantors, or (iii) the unencumbered assets of LightSquared Inc.

(b) LP Adequate Protection Liens. Pursuant to sections 361, 362, and 363(e) of the Bankruptcy Code, as adequate protection of the interests of the Prepetition LP Agent and the Prepetition LP Lenders in the Prepetition LP Collateral against any Diminution in Value of their interests in the Prepetition LP Collateral, including for use of Cash Collateral, the Debtors hereby grant to the Prepetition LP Agent, for the benefit of itself and the Prepetition LP Lenders, effective and perfected as of the Petition Date and without the necessity of the execution by the Debtors of security agreements, pledge agreements, mortgages, financing statements, or other agreements, valid, binding, enforceable, and perfected postpetition security interest in and liens on the Prepetition LP Collateral (the "LP Adequate Protection Liens" and, together with the Inc. Adequate Protection Liens, the "Adequate Protection Liens"). For avoidance of doubt, the Prepetition LP Lenders shall not have an LP Adequate Protection Lien on (i) any claims or causes of action under chapter 5 of the Bankruptcy Code or proceeds therefrom, (ii) the assets of the Prepetition Inc. Subsidiary Guarantors, (iii) the unencumbered assets of LightSquared Inc., or (iv) the SkyTerra-2 satellite while title remains with BSSI or those ground segment assets related to the SkyTerra-2 satellite while title remains with BSSI.<sup>10</sup>

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<sup>10</sup> For the avoidance of doubt, the Prepetition LP Collateral includes all General Intangibles (as defined in the Prepetition LP Credit Documents) to include, among other things, contract rights relating to that certain

(c) Priority of Adequate Protection Liens. The Inc. Adequate Protection Liens shall be junior only to the Inc. Permitted Liens<sup>11</sup> and the Inc. Carve-Out. The LP Adequate Protection Liens shall be junior only to the LP Permitted Liens<sup>12</sup> and the LP Carve-Out.

(d) The Adequate Protection Liens shall be valid and enforceable against any trustee appointed in the Chapter 11 Cases, or any case under chapter 7 of the Bankruptcy Code upon conversion of any of the Chapter 11 Cases (each, a “Successor Case” and collectively, the “Successor Cases”), or upon the dismissal of any of the Chapter 11 Cases or Successor Cases. No lien or interest avoided and preserved for the benefit of the estate pursuant to section 551 of the Bankruptcy Code shall be *pari passu* with or senior to the Prepetition Liens or the Adequate Protection Liens.

(e) The Adequate Protection Liens shall be subject to the reservation of rights set forth in paragraph 12 of this Amended Final Order.

6. Section 507(b) Claims.

(a) Inc. Section 507(b) Claim. As further adequate protection of the interests of the Prepetition Inc. Agent and the Prepetition Inc. Lenders in the Prepetition Inc. Collateral against any Diminution in Value of such interests in the Prepetition Inc. Collateral, the

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Amendment 4 Amended and Restated Contract between LightSquared and BSSI, dated November 10, 2010 (as amended, modified, supplemented, or amended and restated through the date hereof).

<sup>11</sup> The Inc. Permitted Liens are liens otherwise permitted by the Prepetition Inc. Credit Documents, to the extent any such permitted liens were valid, properly perfected, non-avoidable and senior in priority to the Prepetition Inc. Liens as of the Petition Date. Nothing herein shall constitute a finding or ruling by this Court that any such Inc. Permitted Liens are valid, senior, perfected and non-avoidable. Moreover, nothing shall prejudice the rights of any party in interest, including, but not limited to, the Debtors, the Prepetition Inc. Agent, the Prepetition Inc. Lenders and the Committee, to challenge the validity, priority, perfection or extent of any such Inc. Permitted Lien and/or security interest.

<sup>12</sup> The LP Permitted Liens are liens otherwise permitted by the Prepetition LP Credit Documents, to the extent any such permitted liens were valid, properly perfected, non-avoidable and senior in priority to the Prepetition LP Liens as of the Petition Date. Nothing herein shall constitute a finding or ruling by this Court that any such LP Permitted Liens are valid, senior, perfected and non-avoidable. Moreover, nothing shall prejudice the rights of any party in interest, including, but not limited to, the Debtors, the Prepetition LP Agent, the Prepetition LP Lenders and the Committee, to challenge the validity, priority, perfection or extent of any such LP Permitted Lien and/or security interest.

Prepetition Inc. Agent and the Prepetition Inc. Lenders are each hereby granted as and to the extent provided by section 507(b) of the Bankruptcy Code an allowed superpriority administrative expense claim in each of the Inc. Obligors' Chapter 11 Cases and Successor Cases (the "Inc. Section 507(b) Claim"); provided, that the Inc. Section 507(b) Claim against LightSquared Inc. shall be *pari passu* with the LP Section 507(b) Claim against LightSquared Inc.

(b) LP Section 507(b) Claim. As further adequate protection of the interests of the Prepetition LP Agent and the Prepetition LP Lenders in the Prepetition LP Collateral against any Diminution in Value of such interests in the Prepetition LP Collateral, the Prepetition LP Agent and the Prepetition LP Lenders are each hereby granted as and to the extent provided by section 507(b) of the Bankruptcy Code an allowed superpriority administrative expense claim in each of the LP Obligors' Chapter 11 Cases and Successor Cases (the "LP Section 507(b) Claim") and, together with the Inc. Section 507(b) Claim, the "Section 507(b) Claims"; provided, that the LP Section 507(b) Claim against LightSquared Inc. shall be *pari passu* with the Inc. Section 507(b) Claim against LightSquared Inc.

(c) Priority of the Section 507(b) Claims. Except as set forth herein, the Section 507(b) Claims shall have priority over all administrative expense claims and unsecured claims against the Inc. Obligors and the LP Obligors, as applicable, or their estates, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to Bankruptcy Code sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 507(a), 507(b), 546(c), 546(d), 726 (to the extent permitted by law), 1113, and 1114; provided, however, that each of the Section 507(b)

Claims shall be (i) junior to the respective Carve-Outs (as defined herein) and (ii) subject to the reservation of rights set forth in paragraph 12 of this Amended Final Order.

7. Adequate Protection Payments. As used in this Amended Final Order, “Adequate Protection Payments” means the payment of professional fees and the payment and accrual of interest as described in this paragraph 7.

(a) Inc. Agent Professional Fees. As further adequate protection, subject to the reservation of rights set forth in paragraph 12 of this Amended Final Order, as applicable, the Debtors are authorized and directed to provide adequate protection in the form of: (a) payment of all reasonable, actual, and documented fees and expenses incurred or accrued by the Prepetition Inc. Agent under and pursuant to the Prepetition Inc. Agreement, including, without limitation, the reasonable, actual, and documented fees and disbursements of counsel to and financial advisor to the Prepetition Inc. Agent, whether incurred or accrued prior to or after the Petition Date without limiting the rights of parties in interest pursuant to section 506(b) of the Bankruptcy Code. None of the fees and expenses payable pursuant to this paragraph shall be subject to separate approval by this Court (but this Court shall resolve any dispute as to the reasonableness of any such fees and expenses), and no recipient of any such payment shall be required to file any interim or final fee application with respect thereto. Subject to any bona fide dispute as to the reasonableness of such fees and expenses, the Debtors shall pay the reasonable, actual, and documented fees and expenses provided for in this section promptly (but no later than ten (10) business days) after invoices for such fees and expenses shall have been submitted to the Debtors, and the Debtors shall promptly provide copies of such invoices to the Committee (if any) and the U.S. Trustee. Any and all payments or proceeds remitted to or for the benefit of the Prepetition Inc. Agent pursuant to the provisions of this Amended Final Order or any subsequent



order of this Court shall be received free and clear of any claim, charge, assessment, or other liability.

(b) Postpetition Accrual of Inc. Interest. As further adequate protection, the Prepetition Inc. Obligations, pending entry of the DIP Order, will accrue interest at the non-default contract rate and consistent with the Prepetition Inc. Credit Agreement, provided, that unless otherwise ordered by this Court, the Inc. Obligors shall not be obligated to pay such obligations on a current basis during the Inc. Obligors' Chapter 11 Cases. Upon entry of the DIP Order, interest on the Prepetition Inc. Obligations shall accrue at the default rate of interest from and after the Petition Date; provided, however, that in the event the DIP Order is not entered on or before June 30, 2012 or as soon thereafter as possible, subject to the Court's availability, this Court shall hold a hearing on July 17, 2012 to consider whether interest should accrue on the Prepetition Inc. Obligations at the default rate from and after the Petition Date and shall consider such issue *de novo*. In the event that the Prepetition Inc. Obligations are later determined to be undersecured, nothing herein shall prevent any party in interest from seeking to terminate, or reallocate to principal payments, the accrual of such postpetition interest.

(c) LP Adequate Protection Payments. As further adequate protection, subject to the reservation of rights set forth in paragraph 12 of this Amended Final Order, the LP Obligors shall pay to the Prepetition LP Agent for the benefit of the Prepetition LP Lenders on the first Business Day of each month, starting July 1, 2012, an amount equal to \$6,250,000, inclusive of interest and payment of all reasonable, actual, and documented fees and expenses incurred or accrued by the Prepetition LP Agent and the Ad Hoc LP Secured Group, including, without limitation, the reasonable, actual, and documented fees and disbursements (collectively, the "LP Professional Fees") of White & Case LLP and The Blackstone Group L.P.

(“Blackstone”), whether incurred or accrued prior to or after the Petition Date.<sup>13</sup> Such amount will be applied first, to the non-professional fees and expenses of the Prepetition LP Agent, second, to the LP Professional Fees, and third to interest on the Prepetition LP Obligations, and the Ad Hoc LP Secured Group shall advise the LP Obligors, on a monthly basis, of how such amount will be allocated among the non-professional fees and expenses of the Prepetition LP Agent, the LP Professional Fees, and interest on the Prepetition LP Obligations. Such amount shall be applied to the LP Professional Fees in any given month only so long as the Ad Hoc LP Secured Group is the largest (by dollar amount) group of Prepetition LP Lenders organized and jointly represented (as evidenced by a Rule 2019 statement) in the Chapter 11 Cases. Nothing in this Amended Final Order shall prejudice any rights of the Prepetition LP Lenders to accrue interest (including at the default rate), fees, expenses, or charges to the fullest extent permitted under section 506(b) of the Bankruptcy Code. All parties reserve all rights to assert that any such payments of interest and LP Professional Fees made by the LP Obligors constitute and may be reallocated or recharacterized as principal repayments of the Prepetition LP Obligations.

(d) Financial and Other Reporting.

(i) On Wednesday or (in the event such Wednesday is not a business day, the first business day thereafter) of each week, the Debtors will provide the Prepetition LP Agent, Blackstone, and Houlihan Lokey (as financial advisor to the Prepetition Inc. Agent) with cash balances as of the last day of the prior week. On the tenth (10<sup>th</sup>) day of each month or the first business day thereafter, the Debtors will provide the Prepetition LP Agent, Blackstone, and Houlihan Lokey with (x) a reconciliation of revenues generated and expenditures made during the prior month and cumulatively during the Chapter 11 Cases, together with a comparison of

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<sup>13</sup> The procedure for payment of LP Professional Fees shall be the same as the procedure for the payment of the professional fees of the Prepetition Inc. Agent as set forth in subparagraph (a) of this paragraph 7.

such amounts to the amounts projected in the Budget and (y) an update of the Budget through December 31, 2013 (for forecasting and informational purposes only).

(ii) The Debtors shall provide certain professionals (the “Agreed Professionals”) from White & Case LLP and Blackstone (each of whom shall be previously identified by name to, and agreed to by, the Debtors and each of whom shall individually sign mutually acceptable confidentiality agreements) with periodic updates and reasonably detailed information regarding any significant meetings, discussions, or proposals with respect to the material assets of the Debtors, including, without limitation, meetings with the FCC and/or federal agencies, in all cases regarding its ATC authorization for L-band spectrum or alternative spectrum for its terrestrial network, and matters reasonably related thereto, as well as reasonable advance notice, to the extent reasonably practicable, of any significant meetings, discussions, or proposals with respect to the material assets of the Debtors, including, without limitation, meetings with the FCC and/or federal agencies, in all cases regarding its ATC authorization for L-band spectrum or alternative spectrum for its terrestrial network, and matters reasonably related thereto, and in any case reasonably promptly report the substance thereof to the Agreed Professionals. The Debtors, upon the reasonable request of the Agreed Professionals, shall make their professionals and advisors reasonably available to such Agreed Professionals generally, and reasonably in advance of all such meetings to the extent reasonably practicable. All parties that enter into a confidentiality agreement shall be bound by, and comply with, the terms thereof. For the avoidance of doubt, the intention of this provision is to provide the Ad Hoc LP Secured Group with reasonable information and, to the extent reasonably practicable, reasonable time to consider the impact of all FCC and related matters on its interests, without unreasonable interference with the Debtors’ implementation and conduct of their business plan. Such Agreed

Professionals shall not disclose to any Prepetition LP Lender or any other person, without the consent of the Debtors or the approval of the Court, any information provided by the Debtors in accordance with this paragraph. This provision is an integral element and basis of the Ad Hoc LP Secured Group's consent to the use of its Cash Collateral.

**Provisions Common to Use of Cash Collateral Authorizations**

8. **Perfection of Adequate Protection Liens.**

(a) The Prepetition Agents are hereby authorized, but not required, to file or record financing statements, intellectual property filings, mortgages, notices of lien, or similar instruments in any jurisdiction, take possession of or control over, or take any other action in order to validate and perfect the liens and security interests granted to them hereunder. Whether or not the Prepetition Agents, on behalf of the Prepetition Inc. Lenders and the Prepetition LP Lenders, as applicable, shall, in their respective sole discretion, choose to file such financing statements, intellectual property filings, mortgages, notices of lien, or similar instruments, take possession of or control over, or otherwise confirm perfection of the liens and security interests granted to them hereunder, such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable, and not subject to challenge, dispute, or subordination as of the Petition Date.

(b) A certified copy of this Amended Final Order may, in the discretion of the Prepetition Agents, respectively, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien, or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Amended Final Order for filing and recording.

(c) The Debtors are authorized and directed to execute and deliver to the Prepetition Agents all such agreements, financing statements, instruments, and other documents

as such Prepetition Agents may reasonably request to evidence, confirm, validate, or perfect the Adequate Protection Liens. All such documents will be deemed to have been recorded and filed as of the Petition Date.

(d) In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized to do and perform all acts to make, execute, and deliver all instruments and documents and to pay all fees that may be reasonably required or necessary for the Debtors' performance hereunder.

9. Carve-Out. As used in this Amended Final Order, "Carve-Outs" shall mean the Inc. Carve-Out and the LP Carve-Out.

(a) Inc. Carve-Out. As used in this Amended Final Order, the "Inc. Carve-Out" shall mean, upon the occurrence of the Termination Date, the following expenses: (i) all statutory fees payable to the Clerk of the Court and to the U.S. Trustee pursuant to 28 U.S.C. §1930(a) for the Inc. Obligors; (ii) all reasonable fees and expenses incurred by a trustee for the Inc. Obligors under section 726(b) of the Bankruptcy Code not to exceed \$50,000; and (iii) the allowed and unpaid professional fees, expenses, and disbursements allocable to the Inc. Obligors incurred on or after the Termination Date by the Debtors and the Committee for any professionals retained by final order of the Court (which order has not been vacated or stayed, unless the stay has been vacated) by the Debtors and the Committee under sections 327, 328, or 1103(a) of the Bankruptcy Code (the "Chapter 11 Case Professionals") in an aggregate amount not to exceed \$1.5 million plus such allowed fees, expenses, and disbursements allocable to the Inc. Obligors incurred prior to the Termination Date, but which remain unpaid as of the Termination Date, whether approved by the Court before or after the Termination Date (collectively, the "Allowed Inc. Professional Fees").

(b) LP Carve-Out. As used in this Amended Final Order, the “LP Carve-Out” shall mean, upon the occurrence of the Termination Date, the following expenses: (i) all statutory fees payable to the Clerk of the Court and to the U.S. Trustee pursuant to 28 U.S.C. §1930(a) for the LP Obligors; (ii) with respect to the information officer (the “Information Officer”) to be appointed by the Ontario Superior Court of Justice (Commercial List) in Toronto, Ontario, Canada (the “Canadian Court”) in connection with the proceedings commenced pursuant to the Companies’ Creditors Arrangement Act (Canada) R.S.C. 1985, c. C-36, as amended, in the Canadian Court (the “Canadian Proceedings”), all fees and expenses required to be paid to the Information Officer and its counsel in connection with the Canadian Proceedings, which fees and expenses may be secured by a charging lien granted by the Canadian Court over the Debtors’ assets in Canada, in the maximum amount of CDN \$200,000, (iii) all reasonable fees and expenses incurred by a trustee for the LP Obligors under section 726(b) of the Bankruptcy Code not to exceed \$50,000; and (iv) the allowed and unpaid professional fees, expenses, and disbursements allocable to the LP Obligors incurred on or after the Termination Date by the Debtors and the Committee for any Chapter 11 Case Professionals (which are restructuring professionals) in an aggregate amount not to exceed \$4 million, plus such allowed fees, expenses, and disbursements allocable to the LP Obligors incurred prior to the Termination Date, but which remain unpaid as of the Termination Date, whether approved by the Court before or after the Termination Date (the “Allowed LP Professional Fees” and, together with the Allowed Inc. Professional Fees, the “Allowed Professional Fees”).

(c) Payment of Allowed Professional Fees Prior to the Termination Date. Prior to the occurrence of the Termination Date, the Debtors shall be permitted to pay Allowed Professional Fees. The amounts paid shall not reduce the Carve-Outs.

10. Payment of Compensation. Nothing in this Amended Final Order shall be construed as a consent to the allowance of any professional fees or expenses of any Chapter 11 Case Professionals or shall affect the rights of the Prepetition Agents and/or the Prepetition Lenders to object to the allowance and payment of such fees and expenses.

11. [Reserved]

12. Investigation Period.

(a) The Inc. Adequate Protection Liens, the Inc. Section 507(b) Claim, and the Prepetition Inc. Liens shall be senior to, and no Prepetition Inc. Collateral may be used to pay, any claims for services rendered by any of the professionals retained by the Debtors (or any successor trustee or other estate representative in the Chapter 11 Cases or any Successor Cases), the Committee, or any other party in connection with the assertion of, or joinder in, any claim, counterclaim, action, proceeding, application, motion, investigation, objection, defense, or other contested matter against the Prepetition Inc. Agent or the Prepetition Inc. Lenders in connection with invalidating, setting aside, avoiding, subordinating, recharacterizing, objecting to, or challenging, in whole or in part, any claims or liens arising under or with respect to the Prepetition Inc. Credit Facility, the Prepetition Inc. Obligations, the Prepetition Inc. Liens, or the Prepetition Inc. Collateral; provided, however, that up to \$50,000 of Cash Collateral of the Prepetition Inc. Agent (which does not include any unencumbered cash) may be used to pay the allowed fees and expenses of counsel retained by the Committee (if appointed) incurred directly in connection with investigating, but not preparing, initiating, or prosecuting, any Claims and Defenses (as defined herein) against the Prepetition Inc. Agent or Prepetition Inc. Lenders with regard to the Prepetition Inc. Credit Facility or the Prepetition Inc. Liens. In the event the liens, security interests, or claims of the Prepetition Inc. Agent or the Prepetition Inc. Lenders are

voided, avoided, disallowed, or subordinated, then any lien or priority granted to the Prepetition Inc. Agent hereunder in respect of such voided, avoided, disallowed, or subordinated lien, security interest, or claim may be voided, avoided, disallowed, or subordinated to the same extent, and no provision hereof shall preclude or impair the Court from imposing any appropriate remedy in such event.

(b) The LP Adequate Protection Liens, the LP Section 507(b) Claim, and the Prepetition LP Liens shall be senior to, and no Prepetition LP Collateral (including any Cash Collateral of the Prepetition LP Lenders or otherwise) may be used to pay, any claims for services rendered by any of the professionals retained by the Debtors (or any successor trustee or other estate representative in the Chapter 11 Cases or any Successor Cases), the Committee, or any other party in connection with the assertion of, or joinder in, any claim, counterclaim, action, proceeding, application, motion, investigation, objection, defense, or other contested matter against the Prepetition LP Agent or the Prepetition LP Lenders in connection with invalidating, setting aside, avoiding, subordinating, recharacterizing, objecting to, or challenging, in whole or in part, any claims or liens arising under or with respect to the Prepetition LP Credit Facility, the Prepetition LP Obligations, the Prepetition LP Liens, or the Prepetition LP Collateral; provided, however, that up to \$50,000 of Cash Collateral of the Prepetition LP Agent (which does not include any unencumbered cash) may be used to pay the allowed fees and expenses of counsel retained by the Committee (if appointed) incurred directly in connection with investigating, but not preparing, initiating, or prosecuting, any Claims and Defenses (as defined herein) against the Prepetition LP Agent or Prepetition LP Lenders with regard to the Prepetition LP Credit Facility or the Prepetition LP Liens. In the event the liens, security interests, or claims of the Prepetition LP Agent or the Prepetition LP Lenders are voided, avoided, disallowed, or subordinated, then



any lien or priority granted to the Prepetition LP Agent hereunder in respect of such voided, avoided, disallowed, or subordinated lien, security interest, or claim may be voided, avoided, disallowed, or subordinated to the same extent, and no provision hereof shall preclude or impair the Court from imposing any appropriate remedy in such event.

(c) Notwithstanding anything herein to the contrary, any party in interest other than the Debtors shall have until August 11, 2012 (the “Investigation Termination Date”) to investigate the validity, perfection, enforceability, and extent of any Prepetition Obligations and Prepetition Liens and any potential claims of the Debtors or their estates against any Prepetition Agent or Prepetition Lenders in respect of the applicable Prepetition Obligations and Prepetition Liens, “lender liability” claims and causes of action, or any actions, claims, or defenses under chapter 5 of the Bankruptcy Code (all such claims, defenses, and other actions described in this paragraph are collectively defined as the “Claims and Defenses”). Notwithstanding the foregoing sentence, the Investigation Termination Date for Prepetition Inc. Obligations owing or Prepetition Inc. Liens granted to, or any other Claims and Defenses against, affiliates of the Debtors or any successor holder that acquired Prepetition Inc. Obligations after the Petition Date (“Affiliate Challenges”), shall be the earlier of (i) sixty days after the occurrence of an LP Termination Event and (ii) ten months from June 13, 2012; provided, that in the event the Ad Hoc LP Secured Group files an Ad Hoc Group Standing Motion (as defined below), such period shall be extended, for the Ad Hoc LP Secured Group only, to the date which is five business days after the date which the Court enters an order granting the Ad Hoc Group Standing Motion.

(d) Any challenge to the Prepetition Obligations or the Prepetition Liens, or the assertion of any other claims or causes of action of the Debtors or their estates against (x) the Prepetition Inc. Agent or the Prepetition Inc. Lenders and/or (y) the Prepetition LP Agent or the

Prepetition LP Lenders, as applicable, must in any case be made by a party in interest with standing who timely and properly commences an adversary proceeding on or before the Investigation Termination Date (a "Challenge"). If no Challenge is properly filed on or before the Investigation Termination Date, all holders of claims and interests as well as other parties in interest shall be forever barred from bringing or taking any such action, and the Debtors' stipulations made herein and the release set forth in this Amended Final Order shall be binding on all parties in interest. If a Challenge is timely and properly brought, any claim or action that is not brought shall be forever barred. In the event of a timely and successful Challenge by a plaintiff in such an action, this Court shall fashion the appropriate remedy with respect to the (x) Prepetition Inc. Agent and the Prepetition Inc. Lenders and/or the (y) Prepetition LP Agent and the Prepetition LP Lenders, as applicable, after hearing from all parties.

(e) Nothing in this Amended Final Order vests or confers on the Committee or any other party standing or authority to bring, assert, commence, continue, prosecute, or litigate any cause of action belonging to the Debtors or their estates, including, without limitation, the Claims and Defenses with respect to the Prepetition Inc. Facility, the Prepetition Inc. Liens, or the Prepetition Inc. Obligations. Notwithstanding the foregoing, in the event the Ad Hoc LP Secured Group seeks standing to bring an Affiliate Challenge on behalf of the Debtors' estates (an "Ad Hoc Group Standing Motion"), the Ad Hoc LP Secured Group shall be entitled to a hearing on such motion on shortened notice (subject to the Court's calendar) and shall not be required to issue any prior "demand" to the Debtors in respect thereof.

13. Release. Subject to the rights set forth in paragraph 12 of this Amended Final Order, the Debtors, on behalf of themselves and their estates (including any successor trustee or other estate representative in the Chapter 11 Cases or Successor Cases) and any party acting by,

through, or under the Debtors or their estates, forever and irrevocably (i) release, discharge, waive, and acquit (x) the Prepetition Agents and the Prepetition Lenders, (y) each of their respective participants and each of their respective affiliates, and (z) each of their respective former, current or future officers, employees, directors, agents, representatives, owners, members, partners, financial advisors, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, and predecessors in interest (collectively, the “Released Parties”), of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness, and obligations existing as of the Petition Date, including, without limitation, any so-called “lender liability” or equitable subordination claims or defenses, with respect to or relating to the Prepetition Obligations, the Prepetition Liens, or the Prepetition Facilities, as applicable, any and all claims and causes of action arising under the Bankruptcy Code, and any and all claims regarding the validity, priority, perfection, or avoidability of the liens or secured claims of (x) the Prepetition Inc. Agent and the Prepetition Inc. Lenders and/or (y) the Prepetition LP Agent and the Prepetition LP Lenders and (ii) waive any and all defenses (including, without limitation, offsets and counterclaims of any nature or kind) as to the validity, perfection, priority, enforceability, and nonavoidability of the applicable Prepetition Obligations and the applicable Prepetition Liens.

14. Termination of Consent to Use the Prepetition LP Lenders’ Cash Collateral. The authorization of the Debtors to use the Prepetition LP Lenders’ Cash Collateral under this Amended Final Order will terminate upon five days’ prior written notice by the Prepetition LP Agent to the Debtors of the occurrence of any of the following (except for the event in subparagraph (o) below, upon which event a termination will occur automatically) (each of the following, an “LP Termination Event”):

- (a) This Court enters an order dismissing any of the Chapter 11 Cases of the Debtors with material assets or converting any such Chapter 11 Cases to cases under chapter 7;
- (b) This Court enters an order appointing a chapter 11 trustee in any of the Chapter 11 Cases of the Debtors with material assets that is not stayed following entry;
- (c) This Court enters an order staying, reversing, or vacating, in a manner materially adverse to the Prepetition LP Agent or the Prepetition LP Lenders and without prior consent of the Prepetition LP Agent or the Prepetition LP Lenders, this Amended Final Order;
- (d) A chapter 11 plan is confirmed and becomes effective for the LP Obligors;
- (e) An order of this Court shall be entered appointing an examiner with enlarged powers in any of the Chapter 11 Cases of the LP Obligors, or any LP Obligor shall file a motion or other pleading seeking the dismissal of its Chapter 11 Case under section 1112 of the Bankruptcy Code or otherwise;
- (f) Except as expressly allowed in this Amended Final Order or the DIP Order, an order of this Court shall be entered granting any lien on, or security interest in, any Prepetition LP Collateral in favor of any party other than the Prepetition LP Agent or Prepetition LP Collateral Trustee, as the case may be, on behalf of the Prepetition LP Secured Parties, that is senior to, or *pari passu* with, the Prepetition LP Liens or the LP Adequate Protection Liens or granting an administrative claim payable by an LP Obligor to any party other than the Prepetition LP Agent or Prepetition LP Collateral Trustee, as the case may be, on behalf of the Prepetition LP Secured Parties, that is senior to, or *pari passu* with, the LP Section 507(b) Claim without the express written consent of the Prepetition LP Agent;

(g) An order of this Court shall be entered approving any claims for recovery of amounts under section 506(c) of the Bankruptcy Code or otherwise arising from the preservation or disposition of any Prepetition LP Collateral;

(h) An order of this Court shall be entered granting relief from the automatic stay under section 362 of the Bankruptcy Code with respect to all or any material portion of the property of the LP Obligors' estates except in connection with financing provided to the Inc. Obligors in connection with the DIP Order;

(i) The Debtors shall make any payment (including "adequate protection" payments) on or in respect of any prepetition indebtedness or prepetition obligations of an LP Obligor other than (i) on account of the Prepetition LP Obligations under the Prepetition Credit Documents, (ii) as permitted under this Amended Final Order, or (iii) as permitted by any order of this Court;

(j) The Debtors shall seek to, or shall support (in any such case by way of, inter alia, any motion or other pleading filed with this Court or any other writing to another party in interest executed by or on behalf of the Debtors) any other person's motion to disallow or subordinate in whole or in part any Prepetition LP Secured Party's claim in respect of the Prepetition LP Obligations, or to challenge the validity, enforceability, perfection, or priority of the liens in favor of the Prepetition LP Agent or the Prepetition LP Lenders (including, without limitation, any Prepetition LP Liens);

(k) The Debtors file a motion seeking to obtain any credit or incur any financing indebtedness that is secured by a lien on, or security interest in, the Prepetition LP Collateral which is senior to or *pari passu* with the Prepetition LP Liens or the LP Adequate Protection Liens, or having administrative priority status which is senior to or *pari passu* with the

LP Section 507(b) Claim, other than the proposed 507(b) claim against LightSquared Inc.  
pursuant to the DIP Order.

(l) The Debtors shall file any pleading seeking, or otherwise consenting to, or shall support or acquiesce in any other person's motion as to, any of the matters set forth in paragraphs (a) through (c) above and paragraphs (e) through (g) above;

(m) The Debtors shall fail to comply with the terms of this Amended Final Order in any material respect, it being understood that non-compliance with the Permitted Variance shall constitute material non-compliance with this Amended Final Order; or

(n) December 31, 2013.

15. Withdrawal of Consent To Use Prepetition Inc. Collateral. The consent of the Prepetition Inc. Agent and the Prepetition Inc. Lenders under this Amended Final Order to use the Prepetition Inc. Collateral will be withdrawn upon any of the following:

(a) This Court enters an order dismissing any of the Chapter 11 Cases of the Debtors with material assets or converting any such Chapter 11 Cases to cases under chapter 7;

(b) This Court enters an order appointing a chapter 11 trustee in any of the Chapter 11 Cases of the Debtors with material assets that is not stayed following entry;

(c) This Court enters an order appointing an examiner with expanded powers in any of the Chapter 11 Cases of the Inc. Obligors;

(d) This Court enters an order staying, reversing, or vacating, in a manner materially adverse to the Prepetition Inc. Agent or the Prepetition Inc. Lenders and without prior consent of the Prepetition Inc. Agent or the Prepetition Inc. Lenders, this Amended Final Order;

(e) The Debtors fail to make payments under the One Dot Six Lease when due thereunder without the prior written consent of the Prepetition Inc. Agent;

(f) This Court enters an order approving the sale of all or substantially all of the Prepetition Inc. Collateral that does not provide for the payment in respect thereof to be remitted to the Prepetition Inc. Agent in respect of the Prepetition Inc. Obligations;

(g) A chapter 11 plan is confirmed and becomes effective for the Inc. Obligors;

(h) Except as expressly allowed in this Amended Final Order or the DIP Order and subject to the reservation of rights set forth in paragraph 4 of this Amended Final Order, an order of this Court shall be entered granting any lien on, or security interest in, any Prepetition Inc. Collateral in favor of any party other than the Prepetition Inc. Agent, on behalf of the Prepetition Inc. Secured Parties, that is senior to, or *pari passu* with, the Prepetition Inc. Liens or the Inc. Adequate Protection Liens or granting an administrative claim payable by an Inc. Obligor (other than LightSquared Inc.) to any party other than the Prepetition Inc. Agent on behalf of the Prepetition Inc. Secured Parties, that is senior to, or *pari passu* with, the Inc. Section 507(b) Claim without the express written consent of the Prepetition Inc. Agent;

(i) The Debtors file a motion (other than a motion filed in connection with (i) the approval of the DIP Order or (ii) the reservation of rights set forth in paragraph 4 of this Amended Final Order), seeking to obtain any credit or incur any financing indebtedness that is secured by a lien on, or security interest in, the Prepetition Inc. Collateral which is senior to or *pari passu* with the Prepetition Inc. Liens or the Inc. Adequate Protection Liens, or having administrative priority status which is senior to or *pari passu* with the Inc. Section 507(b) Claim;

(j) The Debtors file a motion challenging the Prepetition Inc. Agent's or the Prepetition Inc. Lenders' claims or liens; or

(k) November 15, 2013 (each of the foregoing, an “Inc. Withdrawal Event”).

Upon the occurrence of an Inc. Withdrawal Event, the Prepetition Inc. Agent and the Prepetition Inc. Lenders may, upon shortened notice and an emergency hearing, request additional adequate protection from the Court or such other remedy as the Court may deem just and proper, and the Debtors and other parties in interest reserve all of their rights to object to such request.

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

17. Limitation on Charging Expenses Against Collateral.

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

(b) Except to the extent of the LP Carve-Out, no expenses of administration of these Chapter 11 Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, charged or incurred during the period which the Debtors are authorized to use Cash Collateral under this Amended Final Order, shall be charged against or recovered from the Prepetition LP Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law or in equity, without the prior



written consent of Prepetition LP Agent, and no such consent shall be implied from any other action or inaction by the Prepetition LP Agent or the Prepetition LP Lenders.

18. Equities of the Case. Effective upon entry of the Initial Cash Collateral Order and in light of the subordination of their liens to the respective Carve-Outs, the Prepetition Secured Parties have been entitled to all benefits of Bankruptcy Code section 552(b), and the “equities of the case” exception under Bankruptcy Code section 552(b) does not apply to such parties with respect to the proceeds, product, offspring, or profits of any of their Prepetition Collateral.

19. Credit Bid Rights. The Prepetition Agents shall have the right to “credit bid” the Prepetition Inc. Obligations under the Prepetition Inc. Credit Agreement or the Prepetition LP Obligations under the Prepetition LP Credit Agreement, as applicable, during any sale of any of the Prepetition Inc. Collateral or Prepetition LP Collateral, as applicable, including, without limitation, in connection with sales occurring pursuant to Bankruptcy Code section 363 or included as part of any plan subject to confirmation under Bankruptcy Code section 1129.

20. Joint and Several Liability. Nothing in this Amended Final Order shall be construed to constitute a substantive consolidation of any of the Debtors’ estates, it being understood, however, that the Inc. Obligors and the LP Obligors shall be jointly and severally liable for their respective obligations hereunder. Notwithstanding the foregoing, the Inc. Obligors shall not be liable for the LP Obligations and the LP Obligors shall not be liable for the Inc. Obligations; provided, however, that LightSquared Inc. shall be liable for both the Inc. Obligations and the LP Obligations consistent with the terms of the Prepetition Facilities and this Amended Final Order.

21. Reservation of Rights of Prepetition Secured Parties. Notwithstanding any other provision hereof, the grant to and acceptance by the Prepetition Secured Parties of adequate protection pursuant hereto shall in no way be construed as an acknowledgment by the Prepetition Secured Parties that they are in fact adequately protected. Solely to the extent that the Second Exclusivity Extension Order is breached by the Debtors, the Prepetition Secured Parties may seek Court approval to modify the grant of adequate protection provided hereby so as to provide different or additional adequate protection at any time, or seek Court approval to terminate use of Cash Collateral at any time; provided, however, that all rights of any party in interest to object to such modification of the grant of adequate protection provided hereby or to seek to use Cash Collateral on a nonconsensual basis are fully preserved. Except as expressly provided herein, nothing contained in this Amended Final Order (including without limitation, the authorization to use any Prepetition Collateral, including Cash Collateral) shall impair or modify any rights, claims, or defenses available in law or equity to the Prepetition Secured Parties, including the Ad Hoc LP Secured Group. Nothing in this Amended Final Order shall be construed as a finding that the Prepetition LP Lenders or the Prepetition Inc. Lenders are adequately protected, it being understood that the use of their Prepetition Collateral, including Cash Collateral, hereunder is consensual.

22. Modification of the Automatic Stay. The automatic stay imposed under section 362(a) of the Bankruptcy Code is hereby modified as necessary to effectuate all of the terms and provisions of this Amended Final Order, including, without limitation, to (a) permit the Debtors to grant the Adequate Protection Liens and the Section 507(b) Claims, (b) permit the Debtors to perform such acts as the Prepetition Agents may request in their sole discretion to assure the perfection and priority of the liens granted herein, (c) permit the Debtors to incur all liabilities

and obligations to the Prepetition Secured Parties under this Amended Final Order, and (d) authorize the Debtors to pay, and the Prepetition Agents to retain and apply, payments made in accordance with the terms of this Amended Final Order.

23. Master Proofs of Claim.

(a) To facilitate the processing of claims, to ease the burden upon this Court, and to reduce any unnecessary expense to the Debtors' estates, (i) the Prepetition Inc. Agent is authorized (but not required) to file a single master proof of claim (a "Master Proof of Claim"), on behalf of itself and the Prepetition Inc. Lenders, on account of their claims arising under the Prepetition Inc. Credit Agreement against LightSquared Inc. only, and (ii) the Prepetition LP Agent is authorized (but not required) to file a Master Proof of Claim, on behalf of itself and the Prepetition LP Lenders, on account of their claims arising under the Prepetition LP Credit Agreement against LightSquared LP only.

(b) Upon filing of a Master Proof of Claim by the Prepetition Inc. Agent and/or the Prepetition LP Agent, as applicable, the Prepetition Inc. Agent and/or the Prepetition LP Agent, as applicable, and each of their respective successors and assigns shall be deemed to have filed a proof of claim in the amount set forth opposite its name therein in respect of its claims against each of the Inc. Obligors and the LP Obligors, as applicable, arising under the Prepetition Inc. Agreement and the Prepetition LP Agreement, as applicable. The claims (as defined in section 101 of the Bankruptcy Code) of the Prepetition Inc. Agent and/or the Prepetition LP Agent, as applicable, the Prepetition Inc. Lenders and/or the Prepetition LP Lenders, as applicable, and each of their respective successors and assigns named in the Master Proof of Claim shall be allowed as if each such entity had filed a separate proof of claim in each of the Chapter 11 Cases of the Inc. Obligors and the LP Obligors, as applicable, in the amount

set forth in the Master Proof of Claim; provided, however, that the Prepetition Inc. Agent and/or the Prepetition LP Agent, as applicable, may, but shall not be required to, amend the Master Proof of Claim from time to time to, among other things, reflect a change in the holders of the claims set forth therein or a reallocation among such holders of the claims asserted therein resulting from any transfer of any such claims.

(c) The provisions set forth in paragraphs (a) and (b) above are intended solely for the purpose of administrative convenience and, except to the extent set forth herein or therein, neither the provisions of this paragraph nor the Master Proof of Claim shall affect the substantive rights of the Debtors, the Committee, the Prepetition Agents, the other Prepetition Secured Parties, or any other party in interest or their respective successors in interest, including, without limitation, the right of each Prepetition Secured Party (or its successor in interest) to vote separately on any plan of reorganization proposed in these Chapter 11 Cases.

24. No Control. None of the Prepetition LP Secured Parties are control persons or insiders of the Debtors or any of their affiliates by virtue of any of the actions taken with respect to, in connection with, related to, or arising from the Prepetition LP Loan Facility and/or any of the Prepetition Loan Documents or this Amended Final Order. None of the Prepetition Inc. Secured Parties (excluding the Prepetition Inc. Lenders that are affiliates of the Debtors) are control persons or insiders of the Debtors or any of their affiliates by virtue of any of the actions taken with respect to, in connection with, related to, or arising from the Prepetition Inc. Credit Facility and/or any of the Prepetition Inc. Credit Documents or this Amended Final Order.

25. Amendment. Except as otherwise provided herein, no waiver, modification, or amendment of any of the provisions hereof shall be effective unless set forth in writing, signed

by, or on behalf of, all the Debtors, the Prepetition LP Agent, the Ad Hoc LP Secured Group, and the Prepetition Inc. Agent and approved by the Court after notice to parties in interest.

26. Binding Effect of Amended Final Order. Immediately upon execution by this Court, the terms and provisions of this Amended Final Order shall become valid and binding upon and inure to the benefit of the Debtors, the Prepetition Secured Parties, the Committee, any other court-appointed committee appointed in the Chapter 11 Cases, all other creditors of the Debtors, and all other parties in interest and their respective successors and assigns, including any trustee or other fiduciary hereafter appointed in any of the Chapter 11 Cases, any Successor Cases, or upon the dismissal of any Chapter 11 Case or Successor Case.

27. Survival. The provisions of this Amended Final Order and any actions taken pursuant hereto shall survive entry of any order which may be entered: (a) confirming any plan of reorganization in any of the Chapter 11 Cases; (b) converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code; (c) dismissing any of the Chapter 11 Cases or any Successor Cases; or (d) pursuant to which this Court abstains from hearing any of the Chapter 11 Cases or Successor Cases.

28. Nunc Pro Tunc Effect of this Amended Final Order. This Amended Final Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect and be enforceable *nunc pro tunc* to the Petition Date immediately upon execution thereof.

29. Retention of Jurisdiction. The Court has and will retain jurisdiction to enforce this Amended Final Order according to its terms.

Dated: February 19, 2013  
New York, New York

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

**Schedule 1**

**Budget**

**Lightsquared LP Standalone Cash Flow Forecast - June 13, 2012 to June 30, 2013**  
*(\$ in 000s)*

| Quarter<br>Month                             | 2012    |         |         | 3Q12    |         |         | 4Q12    |         |         | 1Q13   |        |        | 2Q13   |        |        |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------|--------|--------|--------|--------|--------|
|  | Apr-12  | May-12  | Jun-12  | Jul-12  | Aug-12  | Sep-12  | Oct-12  | Nov-12  | Dec-12  | Jan-13 | Feb-13 | Mar-13 | Apr-13 | May-13 | Jun-13 |
| Beginning Cash Balance                       | 264,394 | 199,848 | 195,392 | 185,752 | 172,593 | 155,543 | 140,592 | 128,315 | 113,825 | 97,172 | 84,694 | 69,970 | 52,402 | 40,295 | 28,466 |
| SOURCES                                      |         |         |         |         |         |         |         |         |         |        |        |        |        |        |        |
| Satellite Revenue                            | 3,670   | 2,534   | 2,784   | 3,706   | 2,661   | 2,854   | 3,798   | 2,595   | 2,711   | 2,397  | 2,440  | 2,585  | 3,578  | 2,471  | 2,714  |
| Terrestrial Revenue                          | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Interest Income                              | 21      | 20      | 20      | 26      | 25      | 24      | 23      | 22      | 20      | 19     | 23     | 21     | 19     | 22     | 20     |
| Equity Financing                             | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Debt Financing                               | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Dividend or Loan from LP                     | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Financing Fees                               | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Other  | 139     | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Total Sources                                | 3,830   | 2,554   | 2,803   | 3,732   | 2,686   | 2,877   | 3,821   | 2,616   | 2,731   | 2,416  | 2,463  | 2,606  | 3,597  | 2,493  | 2,734  |
| Uses (OPEX)                                  |         |         |         |         |         |         |         |         |         |        |        |        |        |        |        |
| In-Orbit Insurance                           | 862     | -       | -       | -       | 862     | -       | -       | 3,155   | -       | -      | -      | -      | -      | -      | -      |
| ISAT Coop Agmt                               | 56,250  | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| 1.5 GHz Lease & Related Payments             | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| 1.4 GHz Lease                                | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| L-Band network infrastructure                | 239     | 25      | 2       | 70      | 35      | 35      | 35      | 35      | 35      | 35     | 35     | 35     | 35     | 35     | 35     |
| OSS / BSS                                    | 45      | 54      | -       | 204     | 45      | 204     | 125     | 125     | 284     | 45     | 45     | 204    | 45     | 45     | 204    |
| ERP  | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Partner Enablement                           | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| GPS Marketing, TWG Related, Technology       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Spectrum Management                          | -       | 150     | 125     | 100     | 100     | 100     | 100     | 100     | 100     | 100    | 100    | 100    | 100    | 100    | 100    |
| Staffing Related (entire company)            | 2,789   | 2,676   | 4,942   | 2,191   | 2,171   | 5,294   | 2,156   | 2,087   | 2,141   | 2,328  | 6,223  | 2,278  | 2,201  | 2,261  | 2,179  |
| Legal / Regulatory / Lobbying / Internatnl   | 5,998   | 911     | 1,176   | 1,882   | 1,637   | 1,234   | 2,099   | 1,226   | 1,184   | 1,141  | 1,193  | 1,193  | 1,193  | 1,141  | 1,193  |
| Contingency for Legal/Regul/Lobbying/ Int    | -       | 46      | 59      | 94      | 82      | 62      | 105     | 61      | 59      | 57     | 105    | 60     | 60     | 57     | 60     |
| Facilities/Telecom                           | 513     | 145     | 1,127   | 696     | 696     | 696     | 696     | 696     | 696     | 696    | 696    | 696    | 696    | 696    | 696    |
| G&A  | 562     | 494     | (1,821) | 363     | 396     | 339     | 475     | 440     | 419     | 294    | 443    | 5,760  | 332    | 484    | 539    |
| Funds from Inc to pay LP expenses (In Ch.11) | -       | (2,000) | 2,000   | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Travel Expenses (entire company)             | 67      | 148     | 195     | 128     | 123     | 123     | 123     | 123     | 123     | 115    | 115    | 115    | 115    | 115    | 115    |
| Other Items                                  | 1,226   | 1,462   | 2,362   | 1,376   | 2,128   | 1,546   | 1,477   | 1,581   | 941     | 1,355  | 1,275  | 1,431  | 1,275  | 1,275  | 1,362  |
| Subtotal - USES (OPEX)                       | 68,946  | 4,111   | 10,166  | 7,104   | 8,275   | 9,632   | 7,390   | 9,628   | 5,981   | 6,165  | 10,184 | 11,871 | 6,052  | 6,219  | 6,483  |
| Uses (CAPEX)                                 |         |         |         |         |         |         |         |         |         |        |        |        |        |        |        |
| Boeing Payments                              | 14      | 125     | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | 2,025  | -      | -      |
| Launch Services                              | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Qualcomm                                     | 40      | 760     | -       | 380     | -       | -       | -       | -       | -       | -      | -      | 1,300  | -      | -      | -      |
| Alcatel Lucent S-8TS                         | -       | -       | 1,500   | -       | 3,400   | -       | -       | -       | 6,400   | -      | -      | -      | -      | -      | -      |
| HNS  | 309     | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Sprint                                       | (2,333) | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| 1.6 GHz related (other than spectrum)        | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Current Network Maintenance/Capex            | -       | -       | -       | 250     | -       | 250     | -       | 500     | -       | 625    | -      | -      | 625    | -      | -      |
| RAN (NSN)                                    | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Core   | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Lab / NOC / System Integration               | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| BandRich                                     | -       | -       | 756     | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| AnyData                                      | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Subtotal - USES (CAPEX)                      | (1,970) | 885     | 2,256   | 630     | 3,400   | 250     | -       | 500     | 6,400   | 625    | -      | 1,300  | 2,650  | -      | -      |
| Debt Service                                 |         |         |         |         |         |         |         |         |         |        |        |        |        |        |        |
| Cash Interest                                | -       | -       | -       | -       | -       | -       | -       | -       | -       | -      | -      | -      | -      | -      | -      |
| Restructuring Related                        |         |         |         |         |         |         |         |         |         |        |        |        |        |        |        |
| Restructuring Prof exclud W&C / Blackstone   | 1,400   | 2,014   | 22      | 2,906   | 1,812   | 1,696   | 2,459   | 728     | 753     | 1,853  | 753    | 753    | 753    | 1,853  | 753    |
| LP Adequate Protection Payments              | -       | -       | -       | 6,250   | 6,250   | 6,250   | 6,250   | 6,250   | 6,250   | 6,250  | 6,250  | 6,250  | 6,250  | 6,250  | 6,250  |
| Total Uses                                   | 68,376  | 7,010   | 12,444  | 16,890  | 19,737  | 17,828  | 16,098  | 17,106  | 19,384  | 14,893 | 17,187 | 20,174 | 15,705 | 14,322 | 13,486 |
| Ending Cash Balance Cur Forecast             | 199,848 | 195,392 | 185,752 | 172,593 | 155,543 | 140,592 | 128,315 | 113,825 | 97,172  | 84,694 | 69,970 | 52,402 | 40,295 | 28,466 | 17,714 |

LightSquared LP Standalone Cash Flow Forecast - July 1, 2013 to December 31, 2013

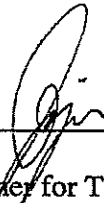
(\$ in 000s)

| Quarter                                       | 3Q13          |               |               |               | 4Q13          |                |  |  |
|---|---------------|---------------|---------------|---------------|---------------|----------------|--|--|
|   | Jul-13        | Aug-13        | Sep-13        | Oct-13        | Nov-13        | Dec-13         |  |  |
| Month   | 63,972        | 52,091        | 39,628        | 28,291        | 16,239        | 3,685          |  |  |
| Beginning Cash Balance                        |               |               |               |               |               |                |  |  |
| <b>Sources</b>                                |               |               |               |               |               |                |  |  |
| Satellite Revenue                             | 2,358         | 3,835         | 1,328         | 2,289         | 3,982         | 1,279          |  |  |
| Terrestrial Revenue                           | -             | -             | -             | -             | -             | -              |  |  |
| Interest Income                               | 7             | 7             | 5             | 4             | 2             | 1              |  |  |
| Equity Financing                              | -             | -             | -             | -             | -             | -              |  |  |
| Debt Financing                                | -             | -             | -             | -             | -             | -              |  |  |
| Harbinger Investment                          | -             | -             | -             | -             | -             | -              |  |  |
| Dividend or Loan from LP                      | -             | -             | -             | -             | -             | -              |  |  |
| Intra Inc. Group Transfers                    | -             | -             | -             | -             | -             | -              |  |  |
| Financing Fees                                | -             | -             | -             | -             | -             | -              |  |  |
| Other   | -             | -             | -             | -             | -             | -              |  |  |
| <b>Total Sources</b>                          | <b>2,365</b>  | <b>3,841</b>  | <b>1,333</b>  | <b>2,293</b>  | <b>3,984</b>  | <b>1,280</b>   |  |  |
| <b>Uses (OPEX)</b>                            |               |               |               |               |               |                |  |  |
| In-Orbit / Launch Insurance                   | -             | -             | -             | -             | 2,911         | -              |  |  |
| ISAT Coop Agmt                                | -             | -             | -             | -             | -             | -              |  |  |
| 1.6 GHz Lease & Related Payments              | -             | -             | -             | -             | -             | -              |  |  |
| 1.4 GHz Lease                                 | -             | -             | -             | -             | -             | -              |  |  |
| L-Band network infrastructure                 | 12            | 12            | 12            | 12            | 12            | 12             |  |  |
| OSS / BSS                                     | -             | -             | -             | -             | -             | -              |  |  |
| ERP   | 22            | 137           | 22            | 22            | 180           | 22             |  |  |
| Partner Enablement                            | -             | -             | -             | -             | -             | -              |  |  |
| GPS Marketing, TWG related, Technology        | -             | -             | -             | -             | -             | -              |  |  |
| Spectrum Management                           | 100           | 100           | 100           | 100           | 100           | 100            |  |  |
| Staffing Related (entire company)             | 2,674         | 1,821         | 1,814         | 1,809         | 1,804         | 1,801          |  |  |
| Legal / Regulatory / Lobbying / International | 1,118         | 1,058         | 1,331         | 1,753         | 1,054         | 1,064          |  |  |
| Contingency for Legal/Regul/Lobbying/Int      | 56            | 53            | 67            | 88            | 53            | 53             |  |  |
| Facilities/Telecom                            | 645           | 645           | 645           | 645           | 645           | 645            |  |  |
| G&A   | 286           | 286           | 286           | 421           | 286           | 396            |  |  |
| Funds from Inc to pay LP expenses (in Ch.11)  | -             | -             | -             | -             | -             | -              |  |  |
| Travel Expenses (entire company)              | 50            | 50            | 50            | 50            | 50            | 50             |  |  |
| Other Items                                   | 1,838         | 846           | 1,098         | 1,265         | 1,573         | 925            |  |  |
| <b>Subtotal - USES (OPEX)</b>                 | <b>6,800</b>  | <b>5,008</b>  | <b>5,424</b>  | <b>6,163</b>  | <b>8,667</b>  | <b>5,067</b>   |  |  |
| <b>Uses (CAPEX)</b>                           |               |               |               |               |               |                |  |  |
| Boeing Payments                               | -             | 3,425         | -             | -             | -             | -              |  |  |
| Launch Services                               | -             | -             | -             | -             | -             | -              |  |  |
| Qualcomm                                      | -             | -             | -             | -             | -             | -              |  |  |
| Alcatel Lucent S-81TS                         | -             | -             | -             | -             | -             | -              |  |  |
| HNS   | -             | -             | -             | -             | -             | -              |  |  |
| Sprint  | -             | -             | -             | -             | -             | -              |  |  |
| 1.6 GHz related (other than spectrum)         | -             | -             | -             | -             | -             | -              |  |  |
| Current Network Maintenance/Capex             | 100           | 625           | -             | -             | 625           | -              |  |  |
| RAN (NSN)                                     | -             | -             | -             | -             | -             | -              |  |  |
| Core  | -             | -             | -             | -             | -             | -              |  |  |
| Lab / NOC / System Integration                | -             | -             | -             | -             | -             | -              |  |  |
| BandRich                                      | -             | -             | -             | -             | -             | -              |  |  |
| AnyData                                       | -             | -             | -             | -             | -             | -              |  |  |
| <b>Subtotal - USES (CAPEX)</b>                | <b>100</b>    | <b>4,050</b>  | <b>-</b>      | <b>-</b>      | <b>625</b>    | <b>-</b>       |  |  |
| <b>Debt Service</b>                           |               |               |               |               |               |                |  |  |
| Cash Interest                                 | -             | -             | -             | -             | -             | -              |  |  |
| Restructuring Prof exclud W&C / Blackstone    | 1,096         | 996           | 996           | 1,532         | 996           | 996            |  |  |
| LP Adequate Protection Payments               | 6,250         | 6,250         | 6,250         | 6,250         | 6,250         | 6,250          |  |  |
| <b>Total Uses</b>                             | <b>14,246</b> | <b>16,304</b> | <b>12,670</b> | <b>14,346</b> | <b>16,538</b> | <b>12,313</b>  |  |  |
| <b>Ending Cash Balance Cur Forecast</b>       | <b>52,091</b> | <b>39,628</b> | <b>28,291</b> | <b>16,239</b> | <b>3,685</b>  | <b>(7,348)</b> |  |  |
| Cash at TMI                                   | 11,447        | 11,447        | 11,447        | 11,447        | 11,447        | 11,447         |  |  |
| Ending Cash Balance including Cash at TMI     | 63,538        | 51,075        | 39,738        | 27,686        | 15,133        | 4,099          |  |  |



# TAB E

Exhibit "E" to the Affidavit of Elizabeth Creary,  
sworn before me this 1st day of March, 2013.

A handwritten signature in black ink, appearing to read 'Jawaid Panjwani', is written over a horizontal line.

Commissioner for Taking Affidavits, etc.

Jawaid Panjwani, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires April 6, 2014

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re:

LIGHTSQUARED INC., *et al.*,

Debtors.<sup>1</sup>

) Chapter 11

) Case No. 12-12080 (SCC)

) Jointly Administered

**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 motion (the “Motion”)<sup>2</sup> of LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, “LightSquared” or the “Debtors”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), seeking entry of an interim order (the “Interim Order”) and a final order (the “Final Order” and, together with the Interim Order, the “Cash Collateral Orders”), 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*:

<sup>1</sup> The debtors in these chapter 11 cases, along with the last four digits of each debtor’s federal or foreign tax or registration identification number, are: LightSquared Inc. (8845), LightSquared Investors Holdings Inc. (0984), One Dot Four Corp. (8806), One Dot Six Corp. (8763), SkyTerra Rollup LLC (N/A), SkyTerra Rollup Sub LLC (N/A), SkyTerra Investors LLC (N/A), TMI Communications Delaware, Limited Partnership (4456), LightSquared GP Inc. (6190), LightSquared LP (3801), ATC Technologies, LLC (3432), LightSquared Corp. (1361), LightSquared Finance Co. (6962), LightSquared Network LLC (1750), LightSquared Inc. of Virginia (9725), LightSquared Subsidiary LLC (9821), Lightsquared Bermuda Ltd. (7247), SkyTerra Holdings (Canada) Inc. (0631), SkyTerra (Canada) Inc. (0629) and One Dot Six TVCC Corp. (0040). The location of the debtors’ corporate headquarters is 450 Park Avenue, Suite 2201, New York, NY 10022 **10802 Parkridge Boulevard, Reston, VA 20191**.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion or in the Montagner Declaration, as applicable.

- (a) authorizing the use of Cash Collateral (within the meaning of section 363(a) of the Bankruptcy Code) of the Prepetition Secured Parties (as defined herein) and providing adequate 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 ~~this Final~~ **the Initial Cash Collateral Order (as defined below)**, as limited pursuant ~~hereto~~ **thereto**;
- (c) scheduling, pursuant to Bankruptcy Rule 4001, an interim hearing (~~the “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 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, 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 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 **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 (each as defined below); 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 (as defined below) through**

and including December 31, 2013 on substantially similar terms as currently set forth in the Initial Cash Collateral Order (the “Amended Final 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. [ ]] (the “Second Exclusivity Extension Order”); and it appearing to the Court that ~~granting the relief requested~~entry of this Amended Final 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 adequate protection being provided on account of the interests in and liens on property of the estates on which liens are granted subject to the full reservations of rights set forth herein; and after due deliberation and consideration, and for good and sufficient cause appearing therefor;

BASED UPON THE CONSENT SET FORTH HEREIN OF THE PARTIES AND SUBJECT TO THE FULL RESERVATIONS OF RIGHTS, AND UPON THE RECORD ESTABLISHED AT THE FINAL HEARING BY THE DEBTORS, THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

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

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

C. Jurisdiction/Venue. This Court has jurisdiction, pursuant to 28 U.S.C. §§ 157(b) and 1334, over the Chapter 11 Cases and property affected hereby. Consideration of the Motion

constitutes a core proceeding under 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

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

E. Debtors’ Debt Structure.

(i) Inc. Debt Structure.<sup>3</sup> Subject to paragraph 12 of this Amended Final Order, the Debtors acknowledge, admit, represent, stipulate, and agree that:

(a) Prepetition Inc. Credit Facility. Pursuant to that certain Credit Agreement, dated as of July 1, 2011 (as amended, supplemented, amended and restated, or otherwise modified from time to time, the “Prepetition Inc. Credit Agreement” and, together with all related credit and security documents, the “Prepetition Inc. Credit Documents”), between LightSquared Inc., as borrower, the subsidiary guarantors party thereto, namely One Dot Four Corp., One Dot Six Corp., and One Dot Six TVCC Corp. (collectively, the “Prepetition Inc. Subsidiary Guarantors” and, together with LightSquared Inc., the “Inc. Obligors”), the lenders party thereto (collectively, the “Prepetition Inc. Lenders”) and U.S. Bank National Association, as successor administrative agent to UBS AG, Stamford Branch (in such capacity, the

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<sup>3</sup> The terms of this Amended Final Order as pertains to the Prepetition Inc. Facility, the Prepetition Inc. Obligations, the Prepetition Inc. Liens, the Prepetition Inc. Agent, and the Prepetition Inc. Lenders (each as defined below) are superseded in all respects by the Final Order, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, and 507, (A) Authorizing Inc. Obligors To Obtain Postpetition Financing, (B) Granting Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay [Docket No. 224] (as amended, supplemented, restated, or otherwise modified, the “DIP Order”).

“Prepetition Inc. Agent”), the Prepetition Inc. Lenders provided term loans to or for the benefit of LightSquared Inc. (the “Prepetition Inc. Credit Facility”).

(b) Prepetition Inc. Obligations. The Prepetition Inc. Credit Facility provided LightSquared Inc. with term loans in the aggregate principal amount of \$278,750,000. As of the Petition Date, an aggregate principal amount of approximately \$322,333,494 was outstanding under the Prepetition Inc. Credit Agreement (collectively, with any amounts unpaid, incurred, or accrued prior to the Petition Date in accordance with the Prepetition Inc. Credit Documents (including unpaid principal, accrued, and unpaid interest, any fees, expenses, and disbursements), indemnification obligations, and other charges, amounts, and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing, or chargeable in respect of any of the Inc. Obligors’ obligations pursuant to the Prepetition Inc. Credit Documents, including all “Obligations” as described in the Prepetition Inc. Credit Agreement, the “Prepetition Inc. Obligations”).

(c) Prepetition Inc. Collateral. To secure the Prepetition Inc. Obligations, the Inc. Obligors granted to the Prepetition Inc. Agent for the benefit of the Prepetition Inc. Lenders first-priority security interests in and liens (the “Prepetition Inc. Liens”) on (a) the One Dot Six Lease (as defined in the Prepetition Inc. Credit Documents), (b) the One Dot Four Lease (as defined in the Prepetition Inc. Credit Documents),<sup>34</sup> (c) the capital stock of each Prepetition Inc. Subsidiary Guarantor, and (d) all proceeds and products of each of the foregoing whether obtained prepetition or postpetition (collectively, the “Prepetition Inc. Collateral”). The Prepetition Inc. Collateral does not include cash other than proceeds of the Prepetition Inc. Collateral.

(d) Notwithstanding anything contained in this Amended Final Order to the contrary, the Prepetition Inc. Agent and the Prepetition Inc. Lenders have asserted that interest on the Prepetition Inc. Obligations is accruing at the default rate of 17% (as opposed to the non-default contract rate of 15%) as of April 30, 2012 and will increase to 20% on June 29, 2012. The Debtors dispute that there was a prepetition default under the Prepetition Inc. Credit Facility. The Debtors and the Prepetition Inc. Agent have agreed that pending entry of ~~an order of this Court approving postpetition financing for the Inc. Obligors, in form and substance acceptable to the Prepetition Inc. Agent and the Prepetition Inc. Lenders, on or before June 30, 2012 (the “the DIP Order”)~~, interest on the Prepetition Inc. Obligations shall accrue at the non-default contract rate under the Prepetition Inc. Credit Facility, as of the Petition Date, and upon entry of the DIP Order, such interest shall accrue at the applicable default rate commencing as of the Petition Date.

(ii) LP Debt Structure. Subject to paragraph 12 of this Amended Final Order, the Debtors acknowledge, admit, represent, stipulate, and agree that:

(a) Prepetition LP Credit Facility. Pursuant 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” and, together with all related credit and security documents, the “Prepetition LP Credit Documents” and, together with the Prepetition Inc. Credit Documents, the “Prepetition Credit Documents”), 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

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<sup>34</sup> Although the One Dot Four Lease was terminated, the Prepetition Inc. Agent retains a first priority security



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 the Prepetition LP Parent Guarantors and LightSquared LP, the “LP Obligors”), the lenders party thereto (the “Prepetition LP Lenders” and, together with the Prepetition Inc. Lenders, the “Prepetition Lenders”), UBS AG, Stamford Branch, as administrative agent (in such capacity, and together with Wilmington Trust FSB,<sup>45</sup> the “Prepetition LP Agent” and, together with the Prepetition LP Lenders, the “Prepetition LP Secured Parties”)<sup>56</sup>, and other parties thereto, the Prepetition LP Lenders provided term loans to or for the benefit of LightSquared LP (the “Prepetition LP Credit Facility” and, together with the Prepetition Inc. Facility, the “Prepetition Facilities”).

(b) Prepetition LP Obligations. The Prepetition LP Credit Facility provided LightSquared LP with term loans in the aggregate principal amount of \$1,500,000,000. As of the Petition Date, an aggregate principal amount of approximately \$1,700,571,106 was outstanding under the Prepetition LP Credit Agreement (collectively, with any amounts unpaid, incurred, or accrued prior to the Petition Date in accordance with the Prepetition LP Credit Documents (including unpaid principal, accrued and unpaid interest, any fees, expenses, and disbursements), indemnification obligations, and other charges, amounts, and costs of whatever nature owing, whether or not contingent, whenever arising, accrued, accruing, due, owing, or

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interest in any remaining collateral.

<sup>45</sup> Wilmington Trust FSB serves as collateral trustee (in such capacity, the “Prepetition LP 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.

<sup>56</sup> The Prepetition LP Agent, together with the Prepetition Inc. Agent, are the “Prepetition Agents” and, together with the Prepetition Lenders, the “Prepetition Secured Parties.”

chargeable in respect of any of the LP Obligors' obligations pursuant to the Prepetition LP Credit Documents, including all "Obligations" as described in the Prepetition LP Credit Agreement, the "Prepetition LP Obligations" and, together with the Prepetition Inc. Obligations, the "Prepetition Obligations").

(c) Prepetition LP Collateral. To secure the Prepetition LP Obligations, the LP Obligors granted to the Prepetition LP Agent for the benefit of the Prepetition LP Lenders first-priority security interests in and liens (the "Prepetition LP Liens" and, together with the Prepetition Inc. Liens, the "Prepetition Liens") on (a) substantially all of the assets of LightSquared LP and the Prepetition LP Subsidiary Guarantors, (b) the equity interests of LightSquared LP and the Prepetition LP Parent Guarantors (except LightSquared Inc.), (c) certain equity interests owned by the Pledgors (as defined in the applicable Prepetition LP Security Agreement (as defined herein)), (d) the Intercompany Notes (as defined in the Prepetition LP Security Agreements) and (e) the rights of LightSquared Inc. under and arising out of that certain Amended and Restated Cooperation Agreement, dated as of August 6, 2010 (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Inmarsat Cooperation Agreement"), by and between LightSquared LP, SkyTerra (Canada) Inc., LightSquared Inc., and Inmarsat Global Limited (collectively, the "Prepetition LP Collateral" and, together with the Prepetition Inc. Collateral, the "Prepetition Collateral"). For the avoidance of doubt, the Prepetition LP Collateral includes any proceeds, substitutions or replacements of any of the forgoing (unless such proceeds, substitutions or replacements would constitute Excluded Property (as defined in Prepetition LP Credit Documents)).<sup>62</sup>

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<sup>62</sup> The Prepetition LP Collateral does not include the following: (a) any permit or license issued by a Governmental Authority (as defined in the Prepetition LP Credit Agreement) or other agreement to the extent and for so long as the terms thereof validly prohibit the creation by the pledgor thereof of a security

F. Findings Regarding the Use of Prepetition Collateral.

(i) Need for Use of Prepetition Collateral, Including Cash Collateral. The Debtors' need to use Prepetition Collateral, including Cash Collateral of the Prepetition LP Lenders, is critical to enable the Debtors to continue operations and to administer and preserve the value of their estates. The ability of the Debtors to engage in ongoing discussions with the Federal Communications Commission ("FCC") regarding the deployment of the Debtors' network, to maintain business relationships with their vendors, suppliers and customers, including public safety agencies, to pay their employees, and to otherwise finance their operations requires the use of Prepetition Collateral, including Cash Collateral of the Prepetition LP Lenders, the absence of which would result in immediate and irreparable loss or damage to the Debtors, their estates, and their creditors. The Debtors do not have sufficient available sources of unencumbered cash to operate their businesses or maintain their properties in the ordinary course of business without the authorized use of the Prepetition LP Lenders' Cash Collateral.

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interest in such permit, license, or other agreement; (b) property subject to any Purchase Money Obligation, Vendor Financing Indebtedness, or Capital Lease Obligations (in each case, as such term is defined in the Prepetition LP Credit Agreement) if the contract or other agreement in which such lien is granted validly prohibits the creation of any other lien on such property; (c) the SkyTerra-2 satellite, while title remains with Boeing Satellite Systems, Inc. ("BSSI"), and those ground segment assets related to the SkyTerra-2 satellite, while title remains with BSSI; (d) any intent-to-use trademark application to the extent and for so long as a security interest therein would result in the loss by the pledgor thereof of any material rights therein; (e) certain deposit and securities accounts securing currency hedging or credit card vendor programs or letters of credit provided to vendors in the ordinary course of business; (f) equity interests in (i) excess of 66% in non-U. S. subsidiaries (other than the Canadian Subsidiaries (as defined in the Prepetition LP Credit Agreement)) held by a US subsidiary, (ii) LightSquared Network LLC, and (iii) any joint venture or similar entity to the extent and for so long as the terms of such investment restrict such security interest; and (g) any consumer goods subject to the Canadian Security Agreement (as defined in the Prepetition LP Credit Agreement). For the avoidance of doubt, the Prepetition LP Collateral includes any proceeds, substitutions, or replacements of any of the forgoing (unless such proceeds, substitutions, or replacements would constitute Excluded Property (as defined in Prepetition LP Credit Documents)).

(ii) Use of Cash Collateral. The Debtors have agreed to use the Prepetition LP Lenders' Cash Collateral in a manner consistent with the expenditure line items (which, for the avoidance of doubt, do not include restructuring professional fees and amounts paid to Prepetition Secured Parties) in the budget (the "Budget," which is attached hereto as Schedule 1),<sup>7</sup> for (a) working capital and other general corporate purposes, (b) permitted payment of costs of administration of the Chapter 11 Cases, and (c) payment of such prepetition expenses as approved by this Court.<sup>8</sup> The Debtors may use the Prepetition LP Lenders' Cash Collateral in excess of the amount set forth in the Budget for any particular expenditure line item so long as the percentage deviation for all operating expenditure line items during any two-month period<sup>9</sup> shall not exceed fifteen percent (15%) (the "Permitted Variance"), in the aggregate, of the amount set forth in the Budget for all operating expenditure line items for such two-month period (or such shorter period commencing on the date of entry of the Amended Final Order); provided, that (i) no payments (e.g., bonuses, severance payments, or critical vendor payments) which require the Court's approval shall be included in the Permitted Variance calculus in determining compliance with the Budget until such payments are approved, and (ii) restructuring professional fees and amounts paid to Prepetition Secured Parties shall be excluded from the Permitted Variance calculus (all other professional fees shall be included in determining compliance with the Budget). Notwithstanding anything to the contrary in this Amended Final Order, capital expenditure line items (e.g., Qualcomm, Alcatel Lucent S-BTS, HNS, BandRich, AnyData, Boeing Payments, and Current Network Maintenance/Capex) totaling \$18,011,000 may be used

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<sup>7</sup> ~~Attached hereto as Schedule 2 is a 2-year cash forecast for LightSquared Inc. The Budget, however, solely relates to use of Cash Collateral at LightSquared LP.~~

<sup>8</sup> Notwithstanding such authorization, all rights of all parties in interest to seek to allocate overhead among the Debtors' estates shall be fully preserved.

<sup>9</sup> Or such shorter period commencing on the date of entry of the Amended Final Order.

on an aggregate basis at any time ~~over the entire twelve (12)-month period~~ until December 31, 2013.

G. Adequate Protection. As a result of the use of the Prepetition Collateral authorized herein, the Prepetition Secured Parties are entitled to receive adequate protection pursuant to sections 361, 362, and 363 of the Bankruptcy Code for any diminution in the value ("Diminution in Value") of their respective interest in the Prepetition Collateral resulting from the Debtors' use, sale, or lease of the Prepetition Collateral during the Debtors' Chapter 11 Cases and as a result of the imposition of the automatic stay. The Prepetition Secured Parties have agreed and consented to the use of their respective Prepetition Collateral, including Cash Collateral, on the terms set forth herein, including in exchange for (a) the Adequate Protection Liens and the 507(b) Claims (to the extent of any Diminution in Value), (b) the Adequate Protection Payments (each as defined herein) and (c) the other provisions and benefits set forth herein; provided, however, that to the extent the Prepetition Secured Parties are entitled to accrue interest, fees, costs or charges under Bankruptcy Code section 506(b), this Amended Final Order shall not in any way impair such entitlement.

H. Bankruptcy Code Sections 506(c) and 552(b). In light of (a) the Prepetition Inc. Agent's agreement to subordinate and the absence of an objection by the Prepetition Inc. Lenders to the subordination of their liens and the Inc. Section 507(b) Claim (as defined herein) to the Inc. Carve-Out (as defined herein) and (b) the agreement of certain holders of the Prepetition LP Obligations which formed an Ad Hoc Working Group of Prepetition LP Secured Parties (the "Ad Hoc LP Secured Group") and the Prepetition LP Agent to subordinate the Prepetition LP Agent's and the Prepetition LP Lenders' liens and the LP Section 507(b) Claim (as defined herein) to the

LP Carve-Out (as defined herein), the Prepetition Secured Parties are entitled to a waiver of the provisions of Bankruptcy Code sections 506(c) and 552(b), to the extent set forth below.

I. Good Cause; Immediate Entry. The relief requested in the Motion is necessary, essential, and appropriate, and is in the best interests of, and will benefit, the Debtors, their estates, and their creditors and equity holders, as its implementation will, *inter alia*, provide the Debtors with the necessary liquidity to (a) minimize the disruption to the Debtors' businesses and ongoing operations, (b) preserve and maximize the value of the Debtors' estates for the benefit of all the Debtors' creditors and equity holders, and (c) avoid immediate and irreparable harm to the Debtors, their estates, their creditors and equity holders, their businesses, their employees, and their assets.

J. Notice. ~~Notice~~Good and sufficient notice of the Amended Final ~~Hearing and~~ Order ~~has been provided by the Debtors by electronic mail, facsimile, regular or overnight mail, and/or hand delivery to~~ has been provided by the Debtors by electronic mail, facsimile, regular or overnight mail, and/or hand delivery to (a) the U.S. Trustee, (b) the entities listed on the Consolidated List of Creditors Holding the 20 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d), (c) counsel to the Prepetition Agents, (d) counsel to the Ad Hoc LP Secured Group, (e) counsel to Harbinger Capital Partners LLC ("Harbinger"), (f) the Internal Revenue Service, (g) the United States Attorney for the Southern District of New York, (h) the FCC, (i) Industry Canada, and (j) all parties having filed a request for notice under Bankruptcy Rule 2002. The Debtors have made reasonable efforts to afford the best notice possible under the circumstances, and such notice is good and sufficient to permit the relief set forth in this Amended Final Order.

Based upon the foregoing findings and conclusions, the Motion and record before the Court with respect to the Motion, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED that:

1. ~~Motion~~**Relief Granted and Initial Cash Collateral Order Ratified**. The ~~Motion~~**Amended Final Order** is granted to the extent set forth in this Final Order **herein** and the use of Prepetition Collateral, including Cash Collateral, on a final basis is authorized, subject to the terms and conditions and to the full reservations of rights set forth in this **Amended** Final Order. **The terms of the Initial Cash Collateral Order are hereby ratified and affirmed, except to the extent amended or modified by this Amended Final Order.**

2. **Objections Overruled**. All objections to the use of Cash Collateral, the provision of adequate protection, and the entry of this **Any objection to this Amended** Final Order, to the extent not withdrawn or resolved, ~~are~~**is** hereby overruled on the terms and conditions, and subject to the full reservations of rights set forth, in this Final Order.

**Authorization To Use Cash Collateral**

3. **Use of Cash Collateral**. Subject to the terms and conditions of this **Amended** Final Order, and in accordance with the Budget (subject to the Permitted Variance), the Debtors are authorized to use Cash Collateral until the occurrence of an LP Termination Event (as defined herein) or as otherwise ordered by the Court (the “**Termination Date**”). Nothing in this **Amended** Final Order shall authorize the disposition of any assets of the Debtors or their estates outside the ordinary course of business, or any Debtor’s use of any Cash Collateral or proceeds resulting therefrom, except as permitted in this **Amended** Final Order and in accordance with the Budget.

4. **Cash Management System**. The Debtors shall maintain their cash management system as approved by the Court pursuant to the Final Order (A) Authorizing Debtors to (I) Continue Using Existing Cash Management Systems, Bank Accounts and Business Forms and (II) Continue Intercompany Transactions, (B) Providing Postpetition Intercompany Claims

Administrative Expense Priority, (C) Authorizing Debtors' Banks to Honor All Related Payment Requests, and (D) Waiving Investment Guidelines of Section 345(b) of Bankruptcy Code [ECF No. 115]. The Ad Hoc Secured Group hereby consents to the repayment, to LightSquared Inc., of any costs and expenses paid on behalf of the LP Obligors' estates since the Petition Date. In the event the DIP Order is not entered, the Debtors reserve all of their rights to seek further order of this Court authorizing distribution of the Prepetition LP Lenders' Cash Collateral to the Inc. Obligors to fund their costs and expenses, administration of their estates, and operation of their businesses. All parties reserve their all of their rights in connection with such request.

5. Adequate Protection Liens.

(a) Inc. Adequate Protection Liens. Pursuant to sections 361, 362, and 363(e) of the Bankruptcy Code, as adequate protection of the interests of the Prepetition Inc. Agent and the Prepetition Inc. Lenders in the Prepetition Inc. Collateral against any Diminution in Value of their interests in the Prepetition Inc. Collateral, the Debtors hereby grant to the Prepetition Inc. Agent, for the benefit of itself and the Prepetition Inc. Lenders, effective and perfected as of the Petition Date and without the necessity of the execution by the Debtors of security agreements, pledge agreements, mortgages, financing statements, or other agreements, valid, binding, enforceable, and perfected postpetition security interests in and liens on the Prepetition Inc. Collateral (the "Inc. Adequate Protection Liens"). For avoidance of doubt, the Prepetition Inc. Agent and the Prepetition Inc. Lenders shall not have an Inc. Adequate Protection Lien on (i) any claims or causes of action under chapter 5 of the Bankruptcy Code or proceeds therefrom, (ii) the assets of the Prepetition LP Subsidiary Guarantors, or (iii) the unencumbered assets of LightSquared Inc.



(b) LP Adequate Protection Liens. Pursuant to sections 361, 362, and 363(e) of the Bankruptcy Code, as adequate protection of the interests of the Prepetition LP Agent and the Prepetition LP Lenders in the Prepetition LP Collateral against any Diminution in Value of their interests in the Prepetition LP Collateral, including for use of Cash Collateral, the Debtors hereby grant to the Prepetition LP Agent, for the benefit of itself and the Prepetition LP Lenders, effective and perfected as of the Petition Date and without the necessity of the execution by the Debtors of security agreements, pledge agreements, mortgages, financing statements, or other agreements, valid, binding, enforceable, and perfected postpetition security interest in and liens on the Prepetition LP Collateral (the “LP Adequate Protection Liens” and, together with the Inc. Adequate Protection Liens, the “Adequate Protection Liens”). For avoidance of doubt, the Prepetition LP Lenders shall not have an LP Adequate Protection Lien on (i) any claims or causes of action under chapter 5 of the Bankruptcy Code or proceeds therefrom, (ii) the assets of the Prepetition Inc. Subsidiary Guarantors, (iii) the unencumbered assets of LightSquared Inc., or (iv) the SkyTerra-2 satellite while title remains with BSSI or those ground segment assets related to the SkyTerra-2 satellite while title remains with BSSI.<sup>10</sup>

(c) Priority of Adequate Protection Liens. The Inc. Adequate Protection Liens shall be junior only to the Inc. Permitted Liens<sup>11</sup> and the Inc. Carve-Out. The LP Adequate Protection Liens shall be junior only to the LP Permitted Liens<sup>12</sup> and the LP Carve-Out.

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<sup>10</sup> For the avoidance of doubt, the Prepetition LP Collateral includes all General Intangibles (as defined in the Prepetition LP Credit Documents) to include, among other things, contract rights relating to that certain Amendment 4 Amended and Restated Contract between LightSquared and BSSI, dated November 10, 2010 (as amended, modified, supplemented, or amended and restated through the date hereof).

<sup>11</sup> The Inc. Permitted Liens are liens otherwise permitted by the Prepetition Inc. Credit Documents, to the extent any such permitted liens were valid, properly perfected, non-avoidable and senior in priority to the Prepetition Inc. Liens as of the Petition Date. Nothing herein shall constitute a finding or ruling by this Court that any such Inc. Permitted Liens are valid, senior, perfected and non-avoidable. Moreover, nothing shall prejudice the rights of any party in interest, including, but not limited to, the Debtors, the Prepetition

(d) The Adequate Protection Liens shall be valid and enforceable against any trustee appointed in the Chapter 11 Cases, or any case under chapter 7 of the Bankruptcy Code upon conversion of any of the Chapter 11 Cases (each, a “Successor Case” and collectively, the “Successor Cases”), or upon the dismissal of any of the Chapter 11 Cases or Successor Cases. No lien or interest avoided and preserved for the benefit of the estate pursuant to section 551 of the Bankruptcy Code shall be *pari passu* with or senior to the Prepetition Liens or the Adequate Protection Liens.

(e) The Adequate Protection Liens shall be subject to the reservation of rights set forth in paragraph 12 of this Amended Final Order.

6. Section 507(b) Claims.

(a) Inc. Section 507(b) Claim. As further adequate protection of the interests of the Prepetition Inc. Agent and the Prepetition Inc. Lenders in the Prepetition Inc. Collateral against any Diminution in Value of such interests in the Prepetition Inc. Collateral, the Prepetition Inc. Agent and the Prepetition Inc. Lenders are each hereby granted as and to the extent provided by section 507(b) of the Bankruptcy Code an allowed superpriority administrative expense claim in each of the Inc. Obligors’ Chapter 11 Cases and Successor Cases (the “Inc. Section 507(b) Claim”); provided, that the Inc. Section 507(b) Claim against LightSquared Inc. shall be *pari passu* with the LP Section 507(b) Claim against LightSquared Inc.

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Inc. Agent, the Prepetition Inc. Lenders and the Committee, to challenge the validity, priority, perfection or extent of any such Inc. Permitted Lien and/or security interest.

<sup>12</sup> The LP Permitted Liens are liens otherwise permitted by the Prepetition LP Credit Documents, to the extent any such permitted liens were valid, properly perfected, non-avoidable and senior in priority to the Prepetition LP Liens as of the Petition Date. Nothing herein shall constitute a finding or ruling by this Court that any such LP Permitted Liens are valid, senior, perfected and non-avoidable. Moreover, nothing shall prejudice the rights of any party in interest, including, but not limited to, the Debtors, the Prepetition

(b) LP Section 507(b) Claim. As further adequate protection of the interests of the Prepetition LP Agent and the Prepetition LP Lenders in the Prepetition LP Collateral against any Diminution in Value of such interests in the Prepetition LP Collateral, the Prepetition LP Agent and the Prepetition LP Lenders are each hereby granted as and to the extent provided by section 507(b) of the Bankruptcy Code an allowed superpriority administrative expense claim in each of the LP Obligors' Chapter 11 Cases and Successor Cases (the "LP Section 507(b) Claim") and, together with the Inc. Section 507(b) Claim, the "Section 507(b) Claims"; provided, that the LP Section 507(b) Claim against LightSquared Inc. shall be *pari passu* with the Inc. Section 507(b) Claim against LightSquared Inc.

(c) Priority of the Section 507(b) Claims. Except as set forth herein, the Section 507(b) Claims shall have priority over all administrative expense claims and unsecured claims against the Inc. Obligors and the LP Obligors, as applicable, or their estates, now existing or hereafter arising, of any kind or nature whatsoever, including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to Bankruptcy Code sections 105, 326, 328, 330, 331, 365, 503(a), 503(b), 507(a), 507(b), 546(c), 546(d), 726 (to the extent permitted by law), 1113, and 1114; provided, however, that each of the Section 507(b) Claims shall be (i) junior to the respective Carve-Outs (as defined herein) and (ii) subject to the reservation of rights set forth in paragraph 12 of this Amended Final Order.

7. Adequate Protection Payments. As used in this Amended Final Order, "Adequate Protection Payments" means the payment of professional fees and the payment and accrual of interest as described in this paragraph 7.

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LP Agent, the Prepetition LP Lenders and the Committee, to challenge the validity, priority, perfection or extent of any such LP Permitted Lien and/or security interest.

(a) Inc. Agent Professional Fees. As further adequate protection, subject to the reservation of rights set forth in paragraph 12 of this Amended Final Order, as applicable, the Debtors are authorized and directed to provide adequate protection in the form of: (a) payment of all reasonable, actual, and documented fees and expenses incurred or accrued by the Prepetition Inc. Agent under and pursuant to the Prepetition Inc. Agreement, including, without limitation, the reasonable, actual, and documented fees and disbursements of counsel to and financial advisor to the Prepetition Inc. Agent, whether incurred or accrued prior to or after the Petition Date without limiting the rights of parties in interest pursuant to section 506(b) of the Bankruptcy Code. None of the fees and expenses payable pursuant to this paragraph shall be subject to separate approval by this Court (but this Court shall resolve any dispute as to the reasonableness of any such fees and expenses), and no recipient of any such payment shall be required to file any interim or final fee application with respect thereto. Subject to any bona fide dispute as to the reasonableness of such fees and expenses, the Debtors shall pay the reasonable, actual, and documented fees and expenses provided for in this section promptly (but no later than ten (10) business days) after invoices for such fees and expenses shall have been submitted to the Debtors, and the Debtors shall promptly provide copies of such invoices to the Committee (if any) and the U.S. Trustee. Any and all payments or proceeds remitted to or for the benefit of the Prepetition Inc. Agent pursuant to the provisions of this Amended Final Order or any subsequent order of this Court shall be received free and clear of any claim, charge, assessment, or other liability.

(b) Postpetition Accrual of Inc. Interest. As further adequate protection, the Prepetition Inc. Obligations, pending entry of the DIP Order, will accrue interest at the non-default contract rate and consistent with the Prepetition Inc. Credit Agreement, provided, that

unless otherwise ordered by this Court, the Inc. Obligors shall not be obligated to pay such obligations on a current basis during the Inc. Obligors' Chapter 11 Cases. Upon entry of the DIP Order, interest on the Prepetition Inc. Obligations shall accrue at the default rate of interest from and after the Petition Date; provided, however, that in the event the DIP Order is not entered on or before June 30, 2012 or as soon thereafter as possible, subject to the Court's availability, this Court shall hold a hearing on July 17, 2012 to consider whether interest should accrue on the Prepetition Inc. Obligations at the default rate from and after the Petition Date and shall consider such issue *de novo*. In the event that the Prepetition Inc. Obligations are later determined to be undersecured, nothing herein shall prevent any party in interest from seeking to terminate, or reallocate to principal payments, the accrual of such postpetition interest.

(c) LP Adequate Protection Payments. As further adequate protection, subject to the reservation of rights set forth in paragraph 12 of this Amended Final Order, the LP Obligors shall pay to the Prepetition LP Agent for the benefit of the Prepetition LP Lenders on the first Business Day of each month, starting July 1, 2012, an amount equal to \$6,250,000, inclusive of interest and payment of all reasonable, actual, and documented fees and expenses incurred or accrued by the Prepetition LP Agent and the Ad Hoc LP Secured Group, including, without limitation, the reasonable, actual, and documented fees and disbursements (collectively, the "LP Professional Fees") of White & Case LLP and The Blackstone Group L.P. ("Blackstone"), whether incurred or accrued prior to or after the Petition Date.<sup>13</sup> Such amount will be applied first, to the non-professional fees and expenses of the Prepetition LP Agent, second, to the LP Professional Fees, and third to interest on the Prepetition LP Obligations, and the Ad Hoc LP Secured Group shall advise the LP Obligors, on a monthly basis, of how such

amount will be allocated among the non-professional fees and expenses of the Prepetition LP Agent, the LP Professional Fees, and interest on the Prepetition LP Obligations. Such amount shall be applied to the LP Professional Fees in any given month only so long as the Ad Hoc LP Secured Group is the largest (by dollar amount) group of Prepetition LP Lenders organized and jointly represented (as evidenced by a Rule 2019 statement) in the Chapter 11 Cases. Nothing in this Amended Final Order shall prejudice any rights of the Prepetition LP Lenders to accrue interest (including at the default rate), fees, expenses, or charges to the fullest extent permitted under section 506(b) of the Bankruptcy Code. All parties reserve all rights to assert that any such payments of interest and LP Professional Fees made by the LP Obligors constitute and may be reallocated or recharacterized as principal repayments of the Prepetition LP Obligations.

(d) Financial and Other Reporting.

(i) On Wednesday or (in the event such Wednesday is not a business day, the first business day thereafter) of each week, the Debtors will provide the Prepetition LP Agent, Blackstone, and Houlihan Lokey (as financial advisor to the Prepetition Inc. Agent) with cash balances as of the last day of the prior week. On the tenth (10<sup>th</sup>) day of each month or the first business day thereafter, the Debtors will provide the Prepetition LP Agent, Blackstone, and Houlihan Lokey with (x) a reconciliation of revenues generated and expenditures made during the prior month and cumulatively during the Chapter 11 Cases, together with a comparison of such amounts to the amounts projected in the Budget and (y) an update of the Budget through ~~June~~December 31, 2013 (for forecasting and informational purposes only).

(ii) The Debtors shall provide certain professionals (the “Agreed Professionals”) from White & Case LLP and Blackstone (each of whom shall be previously

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<sup>13</sup> The procedure for payment of LP Professional Fees shall be the same as the procedure for the payment of

identified by name to, and agreed to by, the Debtors and each of whom shall individually sign mutually acceptable confidentiality agreements) with periodic updates and reasonably detailed information regarding any significant meetings, discussions, or proposals with respect to the material assets of the Debtors, including, without limitation, meetings with the FCC and/or federal agencies, in all cases regarding its ATC authorization for L-band spectrum or alternative spectrum for its terrestrial network, and matters reasonably related thereto, as well as reasonable advance notice, to the extent reasonably practicable, of any significant meetings, discussions, or proposals with respect to the material assets of the Debtors, including, without limitation, meetings with the FCC and/or federal agencies, in all cases regarding its ATC authorization for L-band spectrum or alternative spectrum for its terrestrial network, and matters reasonably related thereto, and in any case reasonably promptly report the substance thereof to the Agreed Professionals. The Debtors, upon the reasonable request of the Agreed Professionals, shall make their professionals and advisors reasonably available to such Agreed Professionals generally, and reasonably in advance of all such meetings to the extent reasonably practicable. All parties that enter into a confidentiality agreement shall be bound by, and comply with, the terms thereof. For the avoidance of doubt, the intention of this provision is to provide the Ad Hoc LP Secured Group with reasonable information and, to the extent reasonably practicable, reasonable time to consider the impact of all FCC and related matters on its interests, without unreasonable interference with the Debtors' implementation and conduct of their business plan. Such Agreed Professionals shall not disclose to any Prepetition LP Lender or any other person, without the consent of the Debtors or the approval of the Court, any information provided by the Debtors in

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the professional fees of the Prepetition Inc. Agent as set forth in subparagraph (a) of this paragraph 7.

accordance with this paragraph. This provision is an integral element and basis of the Ad Hoc LP Secured Group's consent to the use of its Cash Collateral.

**Provisions Common to Use of Cash Collateral Authorizations**

8. **Perfection of Adequate Protection Liens.**

(a) The Prepetition Agents are hereby authorized, but not required, to file or record financing statements, intellectual property filings, mortgages, notices of lien, or similar instruments in any jurisdiction, take possession of or control over, or take any other action in order to validate and perfect the liens and security interests granted to them hereunder. Whether or not the Prepetition Agents, on behalf of the Prepetition Inc. Lenders and the Prepetition LP Lenders, as applicable, shall, in their respective sole discretion, choose to file such financing statements, intellectual property filings, mortgages, notices of lien, or similar instruments, take possession of or control over, or otherwise confirm perfection of the liens and security interests granted to them hereunder, such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable, and not subject to challenge, dispute, or subordination as of the Petition Date.

(b) A certified copy of this **Amended** Final Order may, in the discretion of the Prepetition Agents, respectively, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien, or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this **Amended** Final Order for filing and recording.

(c) The Debtors are authorized and directed to execute and deliver to the Prepetition Agents all such agreements, financing statements, instruments, and other documents as such Prepetition Agents may reasonably request to evidence, confirm, validate, or perfect the



Adequate Protection Liens. All such documents will be deemed to have been recorded and filed as of the Petition Date.

(d) In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized to do and perform all acts to make, execute, and deliver all instruments and documents and to pay all fees that may be reasonably required or necessary for the Debtors' performance hereunder.

9. Carve-Out. As used in this Amended Final Order, "Carve-Outs" shall mean the Inc. Carve-Out and the LP Carve-Out.

(a) Inc. Carve-Out. As used in this Amended Final Order, the "Inc. Carve-Out" shall mean, upon the occurrence of the Termination Date, the following expenses: (i) all statutory fees payable to the Clerk of the Court and to the U.S. Trustee pursuant to 28 U.S.C. §1930(a) for the Inc. Obligors; (ii) all reasonable fees and expenses incurred by a trustee for the Inc. Obligors under section 726(b) of the Bankruptcy Code not to exceed \$50,000; and (iii) the allowed and unpaid professional fees, expenses, and disbursements allocable to the Inc. Obligors incurred on or after the Termination Date by the Debtors and the Committee for any professionals retained by final order of the Court (which order has not been vacated or stayed, unless the stay has been vacated) by the Debtors and the Committee under sections 327, 328, or 1103(a) of the Bankruptcy Code (the "Chapter 11 Case Professionals") in an aggregate amount not to exceed \$1.5 million plus such allowed fees, expenses, and disbursements allocable to the Inc. Obligors incurred prior to the Termination Date, but which remain unpaid as of the Termination Date, whether approved by the Court before or after the Termination Date (collectively, the "Allowed Inc. Professional Fees").

(b) LP Carve-Out. As used in this Amended Final Order, the “LP Carve-Out” shall mean, upon the occurrence of the Termination Date, the following expenses: (i) all statutory fees payable to the Clerk of the Court and to the U.S. Trustee pursuant to 28 U.S.C. §1930(a) for the LP Obligors; (ii) with respect to the information officer (the “Information Officer”) to be appointed by the Ontario Superior Court of Justice (Commercial List) in Toronto, Ontario, Canada (the “Canadian Court”) in connection with the proceedings commenced pursuant to the Companies’ Creditors Arrangement Act (Canada) R.S.C. 1985, c. C-36, as amended, in the Canadian Court (the “Canadian Proceedings”), all fees and expenses required to be paid to the Information Officer and its counsel in connection with the Canadian Proceedings, which fees and expenses may be secured by a charging lien granted by the Canadian Court over the Debtors’ assets in Canada, in the maximum amount of CDN \$200,000, (iii) all reasonable fees and expenses incurred by a trustee for the LP Obligors under section 726(b) of the Bankruptcy Code not to exceed \$50,000; and (iv) the allowed and unpaid professional fees, expenses, and disbursements allocable to the LP Obligors incurred on or after the Termination Date by the Debtors and the Committee for any Chapter 11 Case Professionals (which are restructuring professionals) in an aggregate amount not to exceed \$4 million, plus such allowed fees, expenses, and disbursements allocable to the LP Obligors incurred prior to the Termination Date, but which remain unpaid as of the Termination Date, whether approved by the Court before or after the Termination Date (the “Allowed LP Professional Fees” and, together with the Allowed Inc. Professional Fees, the “Allowed Professional Fees”).

(c) Payment of Allowed Professional Fees Prior to the Termination Date. Prior to the occurrence of the Termination Date, the Debtors shall be permitted to pay Allowed Professional Fees. The amounts paid shall not reduce the Carve-Outs.

10. Payment of Compensation. Nothing in this Amended Final Order shall be construed as a consent to the allowance of any professional fees or expenses of any Chapter 11 Case Professionals or shall affect the rights of the Prepetition Agents and/or the Prepetition Lenders to object to the allowance and payment of such fees and expenses.

11. [Reserved]

12. Investigation Period.

(a) The Inc. Adequate Protection Liens, the Inc. Section 507(b) Claim, and the Prepetition Inc. Liens shall be senior to, and no Prepetition Inc. Collateral may be used to pay, any claims for services rendered by any of the professionals retained by the Debtors (or any successor trustee or other estate representative in the Chapter 11 Cases or any Successor Cases), the Committee, or any other party in connection with the assertion of, or joinder in, any claim, counterclaim, action, proceeding, application, motion, investigation, objection, defense, or other contested matter against the Prepetition Inc. Agent or the Prepetition Inc. Lenders in connection with invalidating, setting aside, avoiding, subordinating, recharacterizing, objecting to, or challenging, in whole or in part, any claims or liens arising under or with respect to the Prepetition Inc. Credit Facility, the Prepetition Inc. Obligations, the Prepetition Inc. Liens, or the Prepetition Inc. Collateral; provided, however, that up to \$50,000 of Cash Collateral of the Prepetition Inc. Agent (which does not include any unencumbered cash) may be used to pay the allowed fees and expenses of counsel retained by the Committee (if appointed) incurred directly in connection with investigating, but not preparing, initiating, or prosecuting, any Claims and Defenses (as defined herein) against the Prepetition Inc. Agent or Prepetition Inc. Lenders with regard to the Prepetition Inc. Credit Facility or the Prepetition Inc. Liens. In the event the liens, security interests, or claims of the Prepetition Inc. Agent or the Prepetition Inc. Lenders are

voided, avoided, disallowed, or subordinated, then any lien or priority granted to the Prepetition Inc. Agent hereunder in respect of such voided, avoided, disallowed, or subordinated lien, security interest, or claim may be voided, avoided, disallowed, or subordinated to the same extent, and no provision hereof shall preclude or impair the Court from imposing any appropriate remedy in such event.

(b) The LP Adequate Protection Liens, the LP Section 507(b) Claim, and the Prepetition LP Liens shall be senior to, and no Prepetition LP Collateral (including any Cash Collateral of the Prepetition LP Lenders or otherwise) may be used to pay, any claims for services rendered by any of the professionals retained by the Debtors (or any successor trustee or other estate representative in the Chapter 11 Cases or any Successor Cases), the Committee, or any other party in connection with the assertion of, or joinder in, any claim, counterclaim, action, proceeding, application, motion, investigation, objection, defense, or other contested matter against the Prepetition LP Agent or the Prepetition LP Lenders in connection with invalidating, setting aside, avoiding, subordinating, recharacterizing, objecting to, or challenging, in whole or in part, any claims or liens arising under or with respect to the Prepetition LP Credit Facility, the Prepetition LP Obligations, the Prepetition LP Liens, or the Prepetition LP Collateral; provided, however, that up to \$50,000 of Cash Collateral of the Prepetition LP Agent (which does not include any unencumbered cash) may be used to pay the allowed fees and expenses of counsel retained by the Committee (if appointed) incurred directly in connection with investigating, but not preparing, initiating, or prosecuting, any Claims and Defenses (as defined herein) against the Prepetition LP Agent or Prepetition LP Lenders with regard to the Prepetition LP Credit Facility or the Prepetition LP Liens. In the event the liens, security interests, or claims of the Prepetition LP Agent or the Prepetition LP Lenders are voided, avoided, disallowed, or subordinated, then

any lien or priority granted to the Prepetition LP Agent hereunder in respect of such voided, avoided, disallowed, or subordinated lien, security interest, or claim may be voided, avoided, disallowed, or subordinated to the same extent, and no provision hereof shall preclude or impair the Court from imposing any appropriate remedy in such event.

(c) Notwithstanding anything herein to the contrary, any party in interest other than the Debtors shall have until August 11, 2012 (the “Investigation Termination Date”) to investigate the validity, perfection, enforceability, and extent of any Prepetition Obligations and Prepetition Liens and any potential claims of the Debtors or their estates against any Prepetition Agent or Prepetition Lenders in respect of the applicable Prepetition Obligations and Prepetition Liens, “lender liability” claims and causes of action, or any actions, claims, or defenses under chapter 5 of the Bankruptcy Code (all such claims, defenses, and other actions described in this paragraph are collectively defined as the “Claims and Defenses”).

Notwithstanding the foregoing sentence, the Investigation Termination Date for Prepetition Inc. Obligations owing or Prepetition Inc. Liens granted to, or any other Claims and Defenses against, affiliates of the Debtors or any successor holder that acquired Prepetition Inc.

Obligations after the Petition Date (“Affiliate Challenges”), shall be the earlier of (i) sixty days after the occurrence of an LP Termination Event and (ii) ten months from ~~the date hereof~~ June 13, 2012; provided, that in the event the Ad Hoc LP Secured Group files an Ad Hoc Group Standing Motion (as defined below), such period shall be extended, for the Ad Hoc LP Secured Group only, to the date which is five business days after the date which the Court enters an order granting the Ad Hoc Group Standing Motion.

(d) Any challenge to the Prepetition Obligations or the Prepetition Liens, or the assertion of any other claims or causes of action of the Debtors or their estates against (x) the

Prepetition Inc. Agent or the Prepetition Inc. Lenders and/or (y) the Prepetition LP Agent or the Prepetition LP Lenders, as applicable, must in any case be made by a party in interest with standing who timely and properly commences an adversary proceeding on or before the Investigation Termination Date (a “Challenge”). If no Challenge is properly filed on or before the Investigation Termination Date, all holders of claims and interests as well as other parties in interest shall be forever barred from bringing or taking any such action, and the Debtors’ stipulations made herein and the release set forth in this Amended Final Order shall be binding on all parties in interest. If a Challenge is timely and properly brought, any claim or action that is not brought shall be forever barred. In the event of a timely and successful Challenge by a plaintiff in such an action, this Court shall fashion the appropriate remedy with respect to the (x) Prepetition Inc. Agent and the Prepetition Inc. Lenders and/or the (y) Prepetition LP Agent and the Prepetition LP Lenders, as applicable, after hearing from all parties.

(e) Nothing in this Amended Final Order vests or confers on the Committee or any other party standing or authority to bring, assert, commence, continue, prosecute, or litigate any cause of action belonging to the Debtors or their estates, including, without limitation, the Claims and Defenses with respect to the Prepetition Inc. Facility, the Prepetition Inc. Liens, or the Prepetition Inc. Obligations. Notwithstanding the foregoing, in the event the Ad Hoc LP Secured Group seeks standing to bring an Affiliate Challenge on behalf of the Debtors’ estates (an “Ad Hoc Group Standing Motion”), the Ad Hoc LP Secured Group shall be entitled to a hearing on such motion on shortened notice (subject to the Court’s calendar) and shall not be required to issue any prior “demand” to the Debtors in respect thereof.

13. Release. Subject to the rights set forth in paragraph 12 of this Amended Final Order, the Debtors, on behalf of themselves and their estates (including any successor trustee or

other estate representative in the Chapter 11 Cases or Successor Cases) and any party acting by, through, or under the Debtors or their estates, forever and irrevocably (i) release, discharge, waive, and acquit (x) the Prepetition Agents and the Prepetition Lenders, (y) each of their respective participants and each of their respective affiliates, and (z) each of their respective former, current or future officers, employees, directors, agents, representatives, owners, members, partners, financial advisors, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, and predecessors in interest (collectively, the “Released Parties”), of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness, and obligations existing as of the Petition Date, including, without limitation, any so-called “lender liability” or equitable subordination claims or defenses, with respect to or relating to the Prepetition Obligations, the Prepetition Liens, or the Prepetition Facilities, as applicable, any and all claims and causes of action arising under the Bankruptcy Code, and any and all claims regarding the validity, priority, perfection, or avoidability of the liens or secured claims of (x) the Prepetition Inc. Agent and the Prepetition Inc. Lenders and/or (y) the Prepetition LP Agent and the Prepetition LP Lenders and (ii) waive any and all defenses (including, without limitation, offsets and counterclaims of any nature or kind) as to the validity, perfection, priority, enforceability, and nonavoidability of the applicable Prepetition Obligations and the applicable Prepetition Liens.

14. Termination of Consent to Use the Prepetition LP Lenders’ Cash Collateral. The authorization of the Debtors to use the Prepetition LP Lenders’ Cash Collateral under this Amended Final Order will terminate upon five days’ prior written notice by the Prepetition LP Agent to the Debtors of the occurrence of any of the following (except for the event in

subparagraph (o) below, upon which event a termination will occur automatically) (each of the following, an “LP Termination Event”):

(a) This Court enters an order dismissing any of the Chapter 11 Cases of the Debtors with material assets or converting any such Chapter 11 Cases to cases under chapter 7;

(b) This Court enters an order appointing a chapter 11 trustee in any of the Chapter 11 Cases of the Debtors with material assets that is not stayed following entry;

(c) This Court enters an order staying, reversing, or vacating, in a manner materially adverse to the Prepetition LP Agent or the Prepetition LP Lenders and without prior consent of the Prepetition LP Agent or the Prepetition LP Lenders, this Amended Final Order;

(d) A chapter 11 plan is confirmed and becomes effective for the LP Obligors;

(e) An order of this Court shall be entered appointing an examiner with enlarged powers in any of the Chapter 11 Cases of the LP Obligors, or any LP Obligor shall file a motion or other pleading seeking the dismissal of its Chapter 11 Case under section 1112 of the Bankruptcy Code or otherwise;

(f) Except as expressly allowed in this Amended Final Order or the DIP Order, an order of this Court shall be entered granting any lien on, or security interest in, any Prepetition LP Collateral in favor of any party other than the Prepetition LP Agent or Prepetition LP Collateral Trustee, as the case may be, on behalf of the Prepetition LP Secured Parties, that is senior to, or *pari passu* with, the Prepetition LP Liens or the LP Adequate Protection Liens or granting an administrative claim payable by an LP Obligor to any party other than the Prepetition LP Agent or Prepetition LP Collateral Trustee, as the case may be, on behalf of the Prepetition LP Secured Parties, that is senior to, or *pari passu* with, the LP Section 507(b) Claim without the express written consent of the Prepetition LP Agent;



(g) An order of this Court shall be entered approving any claims for recovery of amounts under section 506(c) of the Bankruptcy Code or otherwise arising from the preservation or disposition of any Prepetition LP Collateral;

(h) An order of this Court shall be entered granting relief from the automatic stay under section 362 of the Bankruptcy Code with respect to all or any material portion of the property of the LP Obligors' estates except in connection with financing provided to the Inc. Obligors in connection with the DIP Order;

(i) The Debtors shall make any payment (including "adequate protection" payments) on or in respect of any prepetition indebtedness or prepetition obligations of an LP Obligor other than (i) on account of the Prepetition LP Obligations under the Prepetition Credit Documents, (ii) as permitted under this Amended Final Order, or (iii) as permitted by any order of this Court;

(j) The Debtors shall seek to, or shall support (in any such case by way of, inter alia, any motion or other pleading filed with this Court or any other writing to another party in interest executed by or on behalf of the Debtors) any other person's motion to disallow or subordinate in whole or in part any Prepetition LP Secured Party's claim in respect of the Prepetition LP Obligations, or to challenge the validity, enforceability, perfection, or priority of the liens in favor of the Prepetition LP Agent or the Prepetition LP Lenders (including, without limitation, any Prepetition LP Liens);

(k) The Debtors file a motion seeking to obtain any credit or incur any financing indebtedness that is secured by a lien on, or security interest in, the Prepetition LP Collateral which is senior to or *pari passu* with the Prepetition LP Liens or the LP Adequate Protection Liens, or having administrative priority status which is senior to or *pari passu* with the

LP Section 507(b) Claim, other than the proposed 507(b) claim against LightSquared Inc. pursuant to the DIP Order.

(l) The Debtors shall file any pleading seeking, or otherwise consenting to, or shall support or acquiesce in any other person's motion as to, any of the matters set forth in paragraphs (a) through (c) above and paragraphs (e) through (g) above;

(m) The Debtors shall fail to comply with the terms of this Amended Final Order in any material respect, it being understood that non-compliance with the Permitted Variance shall constitute material non-compliance with this Amended Final Order; or

(n) December 31, 2013.

~~(n) The Debtors' period of exclusivity to file a Plan, or solicit acceptances thereof, has been terminated, as long as such termination is not sought by, or for the benefit of, any Prepetition LP Secured Party; or~~

~~(o) One (1) year from the date hereof.~~

15. Withdrawal of Consent To Use Prepetition Inc. Collateral. The consent of the Prepetition Inc. Agent and the Prepetition Inc. Lenders under this Amended Final Order to use the Prepetition Inc. Collateral will be withdrawn upon any of the following:

(a) This Court enters an order dismissing any of the Chapter 11 Cases of the Debtors with material assets or converting any such Chapter 11 Cases to cases under chapter 7;

(b) This Court enters an order appointing a chapter 11 trustee in any of the Chapter 11 Cases of the Debtors with material assets that is not stayed following entry;

(c) This Court enters an order appointing an examiner with expanded powers in any of the Chapter 11 Cases of the Inc. Obligors;

(d) This Court enters an order staying, reversing, or vacating, in a manner materially adverse to the Prepetition Inc. Agent or the Prepetition Inc. Lenders and without prior consent of the Prepetition Inc. Agent or the Prepetition Inc. Lenders, this Amended Final Order;

(e) The Debtors fail to make payments under the One Dot Six Lease when due thereunder without the prior written consent of the Prepetition Inc. Agent;

(f) This Court enters an order approving the sale of all or substantially all of the Prepetition Inc. Collateral that does not provide for the payment in respect thereof to be remitted to the Prepetition Inc. Agent in respect of the Prepetition Inc. Obligations;

(g) A chapter 11 plan is confirmed and becomes effective for the Inc. Obligors;

(h) Except as expressly allowed in this Amended Final Order or the DIP Order and subject to the reservation of rights set forth in paragraph 4 of this Amended Final Order, an order of this Court shall be entered granting any lien on, or security interest in, any Prepetition Inc. Collateral in favor of any party other than the Prepetition Inc. Agent, on behalf of the Prepetition Inc. Secured Parties, that is senior to, or *pari passu* with, the Prepetition Inc. Liens or the Inc. Adequate Protection Liens or granting an administrative claim payable by an Inc. Obligor (other than LightSquared Inc.) to any party other than the Prepetition Inc. Agent on behalf of the Prepetition Inc. Secured Parties, that is senior to, or *pari passu* with, the Inc. Section 507(b) Claim without the express written consent of the Prepetition Inc. Agent;

(i) The Debtors file a motion (other than a motion filed in connection with (i) the approval of the DIP Order or (ii) the reservation of rights set forth in paragraph 4 of this Amended Final Order), seeking to obtain any credit or incur any financing indebtedness that is secured by a lien on, or security interest in, the Prepetition Inc. Collateral which is senior to or

*pari passu* with the Prepetition Inc. Liens or the Inc. Adequate Protection Liens, or having administrative priority status which is senior to or *pari passu* with the Inc. Section 507(b) Claim;

(j) The Debtors file a motion challenging the Prepetition Inc. Agent's or the Prepetition Inc. Lenders' claims or liens; or

(k) November 15, 2013 (each of the foregoing, an "Inc. Withdrawal Event").

Upon the occurrence of an Inc. Withdrawal Event, the Prepetition Inc. Agent and the Prepetition Inc. Lenders may, upon shortened notice and an emergency hearing, request additional adequate protection from the Court or such other remedy as the Court may deem just and proper, and the Debtors and other parties in interest reserve all of their rights to object to such request.

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

17. Limitation on Charging Expenses Against Collateral.

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

(b) Except to the extent of the LP Carve-Out, no expenses of administration of these Chapter 11 Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, charged or incurred during the

period which the Debtors are authorized to use Cash Collateral under this Amended Final Order, shall be charged against or recovered from the Prepetition LP Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law or in equity, without the prior written consent of Prepetition LP Agent, and no such consent shall be implied from any other action or inaction by the Prepetition LP Agent or the Prepetition LP Lenders.

18. Equities of the Case. Effective upon entry of this ~~Final~~ the Initial Cash Collateral Order and in light of the subordination of their liens to the respective Carve-Outs, the Prepetition Secured Parties ~~shall be~~ have been entitled to all benefits of Bankruptcy Code section 552(b), and the “equities of the case” exception under Bankruptcy Code section 552(b) ~~shall~~ does not apply to such parties with respect to the proceeds, product, offspring, or profits of any of their Prepetition Collateral.

19. Credit Bid Rights. The Prepetition Agents shall have the right to “credit bid” the Prepetition Inc. Obligations under the Prepetition Inc. Credit Agreement or the Prepetition LP Obligations under the Prepetition LP Credit Agreement, as applicable, during any sale of any of the Prepetition Inc. Collateral or Prepetition LP Collateral, as applicable, including, without limitation, in connection with sales occurring pursuant to Bankruptcy Code section 363 or included as part of any plan subject to confirmation under Bankruptcy Code section 1129.

20. Joint and Several Liability. Nothing in this Amended Final Order shall be construed to constitute a substantive consolidation of any of the Debtors’ estates, it being understood, however, that the Inc. Obligors and the LP Obligors shall be jointly and severally liable for their respective obligations hereunder. Notwithstanding the foregoing, the Inc. Obligors shall not be liable for the LP Obligations and the LP Obligors shall not be liable for the Inc. Obligations; provided, however, that LightSquared Inc. shall be liable for both the Inc.

Obligations and the LP Obligations consistent with the terms of the Prepetition Facilities and this Amended Final Order.

21. Reservation of Rights of Prepetition Secured Parties. Notwithstanding any other provision hereof, the grant to and acceptance by the Prepetition Secured Parties of adequate protection pursuant hereto shall in no way be construed as an acknowledgment by the Prepetition Secured Parties that they are in fact adequately protected, ~~and is without prejudice to the right of,~~ Solely to the extent that the Second Exclusivity Extension Order is breached by the Debtors, the Prepetition Secured Parties ~~to may seek modification of~~ Court approval to modify the grant of adequate protection provided hereby so as to provide different or additional adequate protection at any time, or seek Court approval to terminate use of Cash Collateral at any time; provided, however, that all rights of any party in interest to object to such modification of the grant of adequate protection provided hereby or to seek to use Cash Collateral on a ~~non-~~ nonconsensual basis are fully preserved. Except as expressly provided herein, nothing contained in this Amended Final Order (including without limitation, the authorization to use any Prepetition Collateral, including Cash Collateral) shall impair or modify any rights, claims, or defenses available in law or equity to the Prepetition Secured Parties, including the Ad Hoc LP Secured Group. Nothing in this Amended Final Order shall be construed as a finding that the Prepetition LP Lenders or the Prepetition Inc. Lenders are adequately protected, it being understood that the use of their Prepetition Collateral, including Cash Collateral, hereunder is consensual.

22. Modification of the Automatic Stay. The automatic stay imposed under section 362(a) of the Bankruptcy Code is hereby modified as necessary to effectuate all of the terms and provisions of this Amended Final Order, including, without limitation, to (a) permit the Debtors

to grant the Adequate Protection Liens and the Section 507(b) Claims, (b) permit the Debtors to perform such acts as the Prepetition Agents may request in their sole discretion to assure the perfection and priority of the liens granted herein, (c) permit the Debtors to incur all liabilities and obligations to the Prepetition Secured Parties under this Amended Final Order, and (d) authorize the Debtors to pay, and the Prepetition Agents to retain and apply, payments made in accordance with the terms of this Amended Final Order.

23. Master Proofs of Claim.

(a) To facilitate the processing of claims, to ease the burden upon this Court, and to reduce any unnecessary expense to the Debtors' estates, (i) the Prepetition Inc. Agent is authorized (but not required) to file a single master proof of claim (a "Master Proof of Claim"), on behalf of itself and the Prepetition Inc. Lenders, on account of their claims arising under the Prepetition Inc. Credit Agreement against LightSquared Inc. only, and (ii) the Prepetition LP Agent is authorized (but not required) to file a Master Proof of Claim, on behalf of itself and the Prepetition LP Lenders, on account of their claims arising under the Prepetition LP Credit Agreement against LightSquared LP only.

(b) Upon filing of a Master Proof of Claim by the Prepetition Inc. Agent and/or the Prepetition LP Agent, as applicable, the Prepetition Inc. Agent and/or the Prepetition LP Agent, as applicable, and each of their respective successors and assigns shall be deemed to have filed a proof of claim in the amount set forth opposite its name therein in respect of its claims against each of the Inc. Obligors and the LP Obligors, as applicable, arising under the Prepetition Inc. Agreement and the Prepetition LP Agreement, as applicable. The claims (as defined in section 101 of the Bankruptcy Code) of the Prepetition Inc. Agent and/or the Prepetition LP Agent, as applicable, the Prepetition Inc. Lenders and/or the Prepetition LP

Lenders, as applicable, and each of their respective successors and assigns named in the Master Proof of Claim shall be allowed as if each such entity had filed a separate proof of claim in each of the Chapter 11 Cases of the Inc. Obligors and the LP Obligors, as applicable, in the amount set forth in the Master Proof of Claim; provided, however, that the Prepetition Inc. Agent and/or the Prepetition LP Agent, as applicable, may, but shall not be required to, amend the Master Proof of Claim from time to time to, among other things, reflect a change in the holders of the claims set forth therein or a reallocation among such holders of the claims asserted therein resulting from any transfer of any such claims.

(c) The provisions set forth in paragraphs (a) and (b) above are intended solely for the purpose of administrative convenience and, except to the extent set forth herein or therein, neither the provisions of this paragraph nor the Master Proof of Claim shall affect the substantive rights of the Debtors, the Committee, the Prepetition Agents, the other Prepetition Secured Parties, or any other party in interest or their respective successors in interest, including, without limitation, the right of each Prepetition Secured Party (or its successor in interest) to vote separately on any plan of reorganization proposed in these Chapter 11 Cases.

24. No Control. None of the Prepetition LP Secured Parties are control persons or insiders of the Debtors or any of their affiliates by virtue of any of the actions taken with respect to, in connection with, related to, or arising from the Prepetition LP Loan Facility and/or any of the Prepetition Loan Documents or this Amended Final Order. None of the Prepetition Inc. Secured Parties (excluding the Prepetition Inc. Lenders that are affiliates of the Debtors) are control persons or insiders of the Debtors or any of their affiliates by virtue of any of the actions taken with respect to, in connection with, related to, or arising from the Prepetition Inc. Credit Facility and/or any of the Prepetition Inc. Credit Documents or this Amended Final Order.



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

26. Binding Effect of Amended Final Order. Immediately upon execution by this Court, the terms and provisions of this Amended Final Order shall become valid and binding upon and inure to the benefit of the Debtors, the Prepetition Secured Parties, the Committee, any other court-appointed committee appointed in the Chapter 11 Cases, all other creditors of the Debtors, and all other parties in interest and their respective successors and assigns, including any trustee or other fiduciary hereafter appointed in any of the Chapter 11 Cases, any Successor Cases, or upon the dismissal of any Chapter 11 Case or Successor Case.

27. Survival. The provisions of this Amended Final Order and any actions taken pursuant hereto shall survive entry of any order which may be entered: (a) confirming any plan of reorganization in any of the Chapter 11 Cases; (b) converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code; (c) dismissing any of the Chapter 11 Cases or any Successor Cases; or (d) pursuant to which this Court abstains from hearing any of the Chapter 11 Cases or Successor Cases.

28. Nunc Pro Tunc Effect of this Amended Final Order. This Amended Final Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect and be enforceable *nunc pro tunc* to the Petition Date immediately upon execution thereof.

29. Retention of Jurisdiction. The Court has and will retain jurisdiction to enforce this Amended Final Order according to its terms.

New York, New York

Date: ~~June~~ February ~~2012~~ 2013

---

Honorable Shelley C. Chapman  
United States Bankruptcy Judge

**Schedule 1**

**Budget**

**TAB F**

Exhibit "F" to the Affidavit of Elizabeth Creary,  
sworn before me this 1st day of March, 2013.

A handwritten signature in black ink, appearing to read 'Jawaid Panjwani', is written over a horizontal line.

Commissioner for Taking Affidavits, etc.

Jawaid Panjwani, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires April 6, 2014

Pg 1 of 42  
Hearing Date: February 27, 2013 at 2:00 p.m. (prevailing Eastern time)  
Objection Deadline: February 20, 2013 at 4:00 p.m. (prevailing Eastern time)

Matthew S. Barr  
Alan J. Stone  
Karen Gartenberg  
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New York, NY 10005-1413  
(212) 530-5000

*Counsel to Debtors and Debtors in Possession*

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

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

**NOTICE OF HEARING ON MOTION FOR ENTRY OF ORDER, PURSUANT TO  
SECTION 105(a) OF BANKRUPTCY CODE AND BANKRUPTCY RULES 6006, 9014,  
AND 9019, (A) APPROVING SETTLEMENT AGREEMENT REGARDING SPRINT  
CLAIMS UNDER MASTER SERVICES AGREEMENT AND (B) AUTHORIZING ANY  
AND ALL ACTIONS NECESSARY TO CONSUMMATE SETTLEMENT AGREEMENT**

PLEASE TAKE NOTICE that LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, "LightSquared") in the above-captioned chapter 11 cases, submit the motion (the "Motion") for entry of an order (a) approving and authorizing LightSquared to enter into a certain settlement agreement with SprintCom, Inc. and Sprint Nextel (together, "Sprint"), and (b) authorizing LightSquared to take any and all actions

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



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reasonably necessary to consummate, and perform any and all obligations contemplated in, the settlement agreement.

**PLEASE TAKE FURTHER NOTICE** that a hearing (the “Hearing”) on the Motion will be held before the Honorable Shelley C. Chapman, Judge of the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”), on **February 27, 2013 at 2:00 p.m. (prevailing Eastern time).**

**PLEASE TAKE FURTHER NOTICE** that responses or objections, if any, to the Motion and the relief requested therein must be made in writing, conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York, set forth the basis for the objection and the specific grounds therefor, and be filed with the Bankruptcy Court (a) by registered users of the Bankruptcy Court’s case filing system, electronically in accordance with General Order M-399 (which can be found at <http://nysb.uscourts.gov>) and (b) by all other parties in interest, in text-searchable portable document format (PDF) (with a hard copy delivered directly to Chambers), in accordance with the customary practices of the Bankruptcy Court and General Order M-399 and shall be served in accordance with General Order M-399 upon each of the following: (i) LightSquared Inc., 10802 Parkridge Boulevard, Reston, VA 20191, Attn: Marc R. Montagner and Curtis Lu, Esq., (ii) counsel to LightSquared, Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, NY 10005-1413, Attn: Matthew S. Barr, Esq. and Karen Gartenberg, Esq., (iii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, NY 10004, Attn: Susan D. Golden, Esq., (iv) counsel to U.S. Bank National Association, as administrative agent under the Prepetition Inc. Credit Agreement and the DIP Agreement, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York,

NY 10036, Attn: Philip C. Dublin, Esq. and Kenneth A. Davis, Esq., (v) counsel to UBS AG, Stamford Branch, as administrative agent under the Prepetition LP Credit Agreement, Latham & Watkins LLP, 885 Third Avenue, New York, NY 10022, Attn: Mark A. Broude, Esq., (vi) counsel to the ad hoc secured group of Prepetition LP Lenders, White & Case LLP, 1155 Avenue of the Americas, New York, NY 10036, Attn: Thomas E Lauria, Esq., (vii) counsel to Harbinger Capital Partners LLC, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attn: Debra A. Dandeneau, Esq. and Ronit J. Berkovich, Esq., and (viii) counsel to Sprint, McGuireWoods LLP, 1750 Tysons Boulevard, Suite 1800, Tyson's Corner, VA 22102, Attn: David I. Swan, Esq., so as to be actually received **no later than February 20, 2013 at 4:00 p.m. (prevailing Eastern time)**. Only those responses or objections that are timely filed, served, and received will be considered at the Hearing.

**PLEASE TAKE FURTHER NOTICE** that if you do not timely file and serve a written objection to the relief requested in the Motion, the Bankruptcy Court may deem any opposition waived, treat the Motion as conceded, and enter an order granting the relief requested in the Motion without further notice or hearing.



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

New York, New York  
Dated: February 13, 2013

Respectfully submitted,

/s/ Matthew S. Barr  
Matthew S. Barr  
Alan J. Stone  
Karen Gartenberg  
MILBANK, TWEED, HADLEY & M<sup>C</sup>CLOY LLP  
One Chase Manhattan Plaza  
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(212) 530-5000

*Counsel to Debtors and Debtors in Possession*

Hearing Date: February 27, 2013 at 2:00 p.m. (prevailing Eastern time)  
Objection Deadline: February 20, 2013 at 4:00 p.m. (prevailing Eastern time)

Matthew S. Barr  
Alan J. Stone  
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(212) 530-5000

*Counsel to Debtors and Debtors in Possession*

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

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

**MOTION FOR ENTRY OF ORDER, PURSUANT TO SECTION 105(a) OF  
BANKRUPTCY CODE AND BANKRUPTCY RULES 6006, 9014, AND 9019,  
(A) APPROVING SETTLEMENT AGREEMENT REGARDING SPRINT CLAIMS  
UNDER MASTER SERVICES AGREEMENT AND (B) AUTHORIZING ANY AND ALL  
ACTIONS NECESSARY TO CONSUMMATE SETTLEMENT AGREEMENT**

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

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LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, "LightSquared") in the above-captioned chapter 11 cases (the "Chapter 11 Cases"), file this motion (the "Motion") for entry of an order (the "Order"), pursuant to section 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended, the "Bankruptcy Code"), and rules 6006, 9014, and 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), (a) approving and authorizing LightSquared to enter into the settlement agreement attached hereto as Exhibit A (the "Settlement Agreement")<sup>1</sup> with SprintCom, Inc. ("Sprint") and Sprint Nextel (collectively with LightSquared and Sprint, the "Settlement Parties"), resolving the Sprint Bankruptcy Claims (as defined below), and (b) authorizing LightSquared to take any and all actions reasonably necessary to consummate, and to perform any and all obligations contemplated in, the Settlement Agreement. In support of this Motion, LightSquared respectfully states as follows:

### **Jurisdiction**

1. 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).
2. Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in (a) the Settlement Agreement, (b) 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 "Cash Collateral Order"), (c) the Final Order, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, and 507, (A) Authorizing Inc. Obligors To Obtain Postpetition Financing, (B) Granting Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay [Docket No. 224] (the "DIP Order"), or (d) that certain Collateral Trust Agreement dated as of October 1, 2010 among LightSquared LP, the Guarantors party thereto, UBS AG, Stamford Branch, as Administrative Agent under the Credit Agreement (as defined therein), the other Parity Lien Representatives and Second Lien Representatives from time to time party thereto, and Wilmington Trust FSB, as Collateral Trustee, as amended by that certain First Amendment to Collateral Trust Agreement, dated as of June 1, 2011, by and among LightSquared LP, LightSquared Inc., the other Guarantors from time to time party thereto, and the Collateral Trustee (as so amended, the "Collateral Trust Agreement"), as applicable.

3. The statutory bases for the relief requested herein are section 105(a) of the Bankruptcy Code and Bankruptcy Rules 6006, 9014, and 9019.

### **Case Background**

4. On May 14, 2012 (the "Petition Date"), LightSquared filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. 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 official committee has been appointed in the Chapter 11 Cases. No request for the appointment of a trustee or examiner has been made in the Chapter 11 Cases.

### **Background to Motion<sup>2</sup>**

#### **A. Master Services Agreement**

5. On June 3, 2011, LightSquared Inc., LightSquared LP, and Sprint (the "MSA Parties") entered into that certain Master Services Agreement (as amended, supplemented, amended and restated, or otherwise modified from time to time, the "Master Services Agreement"),<sup>3</sup> pursuant to which Sprint agreed to design, deploy, operate, manage, and maintain a nationwide terrestrial broadband mobile network that would utilize LightSquared's spectrum to provide 4G wireless services throughout the United States. LightSquared LP initially paid Sprint \$310 million in advance payments (the "Advance Payment") for work on the network and its eventual operation, and obligations outstanding under the Sprint Master Services

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<sup>2</sup> Nothing herein shall be considered to be an admission as to the liability of any LightSquared entity related to the Master Services Agreement or the Sprint Bankruptcy Claims pending approval of the Settlement Agreement.

<sup>3</sup> The Master Services Agreement is available to review upon request subject to the requesting party's entry into a non-disclosure agreement in form and substance satisfactory to LightSquared and Sprint.

Agreement were allegedly secured by a second-priority security interest in the Prepetition LP Collateral.

6. After entry into the Sprint Master Services Agreement, LightSquared and Sprint worked closely together to weather the delays – engendered by LightSquared’s regulatory process – in the build-out of a terrestrial broadband mobile network throughout the United States. Indeed, Sprint on numerous occasions had agreed to amend the Master Services Agreement to extend the date by which it was entitled to unwind the Master Services Agreement (the “Unwind Period”). The last such amendment, Amendment No. 6 to the Master Services Agreement (“Amendment No. 6”),<sup>4</sup> was entered into by the MSA Parties on January 27, 2012. Amendment No. 6 provides, *inter alia*, that:

- (a) the period in which Sprint may unwind the Master Services Agreement was amended to allow Sprint to begin an unwind at any point after March 15, 2012 but on or before April 30, 2012;
- (b) LightSquared agreed that \$236,472,168 (the “Agreed MSA Costs”) had been fully earned and irrevocably and unconditionally paid to Sprint from the Advance Payment and not subject to true-up or dispute under section 1.05 of the Master Services Agreement or otherwise, and LightSquared agreed never to assert any claim for the repayment to it of all or any portion of such amount;
- (c) Sprint agreed to refund to LightSquared LP an amount equal to \$65 million from the Advance Payment upon the earlier of (i) March 15, 2012 and (ii) receipt of an acknowledgement from the Prepetition LP Lenders that Amendment No. 6 was not prohibited under the Prepetition LP Credit Agreement;
- (d) \$8,527,832 of the Advance Payment (the “Unallocated Balance”) would remain subject to the termination and unwind process set forth in section 1.05 of the Master Services Agreement; and
- (e) that the MSA Parties were not able to reconcile fully and agree on the precise amount of certain costs arising from Sprint’s transactions with American Tower Company (“ATC”) to secure

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<sup>4</sup> Amendment No. 6 is available to review upon request subject to the requesting party’s entry into a non-disclosure agreement in form and substance satisfactory to LightSquared and Sprint.



capacity and entitlements required for the LightSquared network (the “Asserted ATC Costs”), but (i) the MSA Parties agreed that \$95 million of the Asserted ATC Costs (the “Agreed ATC Costs”) were to be included in the Agreed MSA Costs and (ii) Sprint expressly reserved its rights to claim the positive difference between the Asserted ATC Costs and the Agreed ATC Costs (i.e., \$110 million) (the “Disputed Amount”).<sup>5</sup>

7. On March 16, 2012, the date on which the Unwind Period commenced, Sprint determined not only that it would not extend the Unwind Period beyond such date, but it also chose to unwind the Master Services Agreement. Given the reduced operations and liquidity of LightSquared at that time, it made good economic sense for LightSquared not to be burdened with the costs of the Master Services Agreement. LightSquared believed at the time that it was in its best interest for Sprint to unwind the Master Services Agreement as well. Accordingly, on March 15, 2012, Sprint refunded to LightSquared LP \$65 million from the Advance Payment. Moreover, since that date, Sprint and LightSquared worked to reconcile the appropriate allocation of the Unallocated Balance, which resulted in (a) an agreement among the parties that \$2,457,434 had been fully earned and irrevocably and unconditionally paid to Sprint as Agreed MSA Costs, (b) an additional payment to LightSquared LP from Sprint on May 4, 2012 in the amount of \$2,332,794, and (c) an agreement among the MSA Parties that \$3,737,604 (the “Remaining Advance Payment”) should be retained by Sprint pending further reconciliation.

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<sup>5</sup> The Asserted ATC Costs arose pursuant to an amendment (the “ATC Amendment”) entered into between Sprint and ATC with respect to the parties’ existing agreement which gave Sprint the right to provide network hosting on sites it leased from ATC. Sprint entered into the ATC Amendment, which it asserted had a net present value of \$205 million, to provide services to LightSquared under the Master Services Agreement. Accordingly, when Sprint and LightSquared agreed to unwind the Master Services Agreement, Sprint argued that the full \$205 million should be attributed to LightSquared. LightSquared’s position, however, was that (i) Sprint could mitigate its damages by providing network hosting under the ATC Amendment to other customers, and (ii) the net present value that LightSquared would have received from the ATC Amendment was substantially less than \$205 million. After significant negotiations and diligence by each of the parties, Sprint and LightSquared agreed that \$95 million was to be included in the Agreed ATC Costs.

**B. Sprint Bankruptcy Claims**

8. Sprint and its affiliate, Sprint Nextel, have filed three claims against LightSquared's bankruptcy estates (collectively, the "Sprint Bankruptcy Claims"). Specifically, on August 3, 2012, Sprint Nextel filed proof of claim no. 31, asserting a priority claim in the amount of \$11,757.95 against LightSquared Inc. for wireless telecommunications services rendered to LightSquared Inc. prior to, and a few days following, the Petition Date. Additionally, on September 24, 2012, Sprint filed proof of claim no. 157 against LightSquared Inc. and proof of claim no. 158 against LightSquared LP, each asserting contingent and unliquidated secured claims arising under the termination and unwind of the Master Services Agreement, which claims would include the Disputed Amount.

**C. Settlement Agreement<sup>6</sup>**

9. As set forth in the Settlement Agreement, the Settlement Parties have mutually agreed that the appropriate allocation of the Remaining Advance Payment requires a payment to LightSquared LP in an amount equal to \$1,011,371 (the "Settlement Payment") and that Sprint shall retain an amount equal to \$2,726,233. As consideration for the Settlement Payment, the Settlement Parties wish to resolve any and all disputes that may presently exist, or that may later arise out of the circumstances surrounding the Master Services Agreement. Accordingly, the Settlement Parties have engaged in extensive, good faith, arm's-length negotiation and desire to settle and resolve all claims that Sprint or LightSquared may have under, arising from, relating to, pursuant to, in respect of, or in connection with the Master Services Agreement, including, without limitation, the Sprint Bankruptcy Claims.

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<sup>6</sup> The summary of the Settlement Agreement is only included herein for descriptive purposes. To the extent any conflict exists with the terms of the Settlement Agreement, the terms of the Settlement Agreement shall control.

10. The principal terms of the Settlement Agreement are as follows:

- (a) Consideration: One (1) business day after the Effective Date,<sup>7</sup> Sprint shall make the Settlement Payment by wire transfer to LightSquared LP. The consideration to be exchanged by and among the Settlement Parties pursuant to the Agreement, includes, the Settlement Payment, the exchange of releases and the compromise of claims, the withdrawal of the Sprint Bankruptcy Claims, and the other covenants and undertakings set forth in the Settlement Agreement.
- (b) Sprint Bankruptcy Claims: Sprint and Sprint Nextel agree that, as of the Effective Date, Sprint and Sprint Nextel shall fully, finally, and forever withdraw the Sprint Bankruptcy Claims with prejudice.
- (c) Release of Lien: Sprint agrees that, as of the Effective Date, it shall fully, finally, and forever release its liens against LightSquared's assets.
- (d) Release of Sprint by LightSquared. Upon the Effective Date, LightSquared and its estates shall forever and irrevocably release, discharge, waive, and acquit any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness, and obligations existing as of the Effective Date whatsoever in law, admiralty, and equity, whether presently known or unknown, accrued or not accrued, foreseen or unforeseen, matured or not matured, which LightSquared, and any party acting by, through, or under LightSquared, now have or hereafter can, shall, or may have against the Sprint Released Parties<sup>8</sup> for, upon, or by reason of any matter, cause, or thing whatsoever from the beginning of the world to the Effective Date, that relate in any way, directly or indirectly, to the Master Services Agreement and/or the Sprint Bankruptcy Claims. Nothing contained in the Settlement Agreement shall release Sprint or Sprint Nextel from any obligations under the Settlement Agreement.

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<sup>7</sup> "Effective Date" means the date on which all of the following shall have occurred: (1) the Order shall have been entered by the Court and (2) such approval is affirmed on appeal or all time periods for appeals, unless waived, have expired under the applicable Federal Rules of Civil Procedure, Federal Rules of Appellate Procedure, and/or Federal Rules of Bankruptcy Procedure.

<sup>8</sup> "Sprint Released Parties" means Sprint and Sprint Nextel, and each of their former, current, and future officers, employees, directors, agents, owners, members, partners, financial advisors, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, and predecessors in interest, and each of their heirs, executors, successors, and assigns and/or representatives of the foregoing.

- (e) Release of LightSquared by Sprint: Upon the Effective Date, Sprint and Sprint Nextel shall forever and irrevocably release, discharge, waive, and acquit any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness, and obligations existing as of the Effective Date whatsoever in law, admiralty and equity, whether presently known or unknown, accrued or not accrued, foreseen or unforeseen, matured or not matured, which Sprint or Sprint Nextel and any party acting by, through or under Sprint or Sprint Nextel have or hereafter can, shall, or may have against the LightSquared Released Parties<sup>9</sup> for, upon, or by reason of any matter, cause, or thing whatsoever from the beginning of the world to the Effective Date, that relate in any way, directly or indirectly, to the Master Services Agreement and/or the Sprint Bankruptcy Claims. Nothing contained in the Settlement Agreement shall release LightSquared from any obligations under the Settlement Agreement.

**Relief Requested**

11. By this Motion, LightSquared respectfully requests entry of the Order (a) approving and authorizing LightSquared to enter into the Settlement Agreement, resolving the Sprint Bankruptcy Claims, and (b) authorizing LightSquared to take any and all actions reasonably necessary to consummate, and to perform any and all obligations contemplated in, the Settlement Agreement.

**Basis for Relief**

12. Bankruptcy Rule 9019 empowers bankruptcy courts to approve a compromise or settlement after notice and a hearing if it is “fair[, reasonable,] and in the best interest of the estate.” In re Enron Corp., No. 02-8489, 2003 WL 230838, at \*2 (S.D.N.Y. Jan. 31, 2003) (citation omitted); see also Fed. R. Bankr. P. 9019(a) (“On motion by the [debtor] and after notice and a hearing, the court may approve a compromise or settlement.”). In addition, to

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<sup>9</sup> “LightSquared Released Parties” means LightSquared and its former, current, and future officers, employees, directors, agents, representatives, owners, members, partners, financial advisors, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, and predecessors in interest, and each of their heirs, executors, successors, and assigns.

supplement this explicit power, section 105(a) of the Bankruptcy Code grants the Court broad authority to enforce the Bankruptcy Code's provisions either under the specific statutory language of the Bankruptcy Code or under equitable common law doctrines. See 11 U.S.C. § 105(a) ("The court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.").

13. The decision to accept or reject a compromise or settlement is within the sound discretion of the Court. Nellis v. Shugrue, 165 B.R. 115, 123 (S.D.N.Y. 1994) ("Although a judge must consider the fairness of the settlement to the estate and its creditors, the judge is not required to assess the minutia of each and every claim."); In re Drexel Burnham Lambert Group, 134 B.R. 493, 499 (Bankr. S.D.N.Y. 1991); see also Abeles v. Infotechnology (In re Infotechnology), No. 95-5024, 1995 U.S. App. LEXIS 39883, at \*4-5 (2d Cir. Nov. 9, 1995) (noting that in determining whether to approve debtor's motion to settle controversy, court does not substitute its judgment for that of debtor). In exercising its sound discretion, the Court should exercise its discretion in favor of the settlement. HSBC Bank USA, N.A. v. Fane (In re MF Global Inc.), 466 B.R. 244, 247 (Bankr. S.D.N.Y. 2012) ("Settlements and compromises are favored in bankruptcy as they minimize costly litigation and further parties' interests in expediting the administration of the bankruptcy estate."); In re Adelphia Commc'ns Corp., 368 B.R. 140, 226 (Bankr. S.D.N.Y. 2007), aff'd, 544 F.3d 420 (2d Cir. 2008) ("As a general matter, settlements or compromises are favored in bankruptcy and, in fact, encouraged."); In re Hibbard Brown & Co., 217 B.R. 41, 46 (Bankr. S.D.N.Y. 1998) ("The decision to grant or deny a settlement or compromise lies squarely within the discretion of the bankruptcy court [and such] discretion should be exercised in light of the general public policy favoring settlements.") (citing Nellis, 165 B.R. at 121).

14. In approving a settlement pursuant to Bankruptcy Rule 9019, it is not necessary for the Court to conduct a “‘mini-trial’ to determine the merits of the underlying litigation.” In re Ambac Fin. Group, Inc., 457 B.R. 299, 304 (Bankr. S.D.N.Y. 2011), aff’d, 2011 U.S. Dist. LEXIS 149610 (S.D.N.Y. Dec. 28, 2011), aff’d, 2012 U.S. App. LEXIS 14229 (2d Cir. July 12, 2012) (citation omitted). “[The] responsibility of the bankruptcy judge . . . is not to decide the numerous questions of law and fact raised . . . but rather to canvass the issues and see whether the ‘settlement fall[s] below the lowest point in the range of reasonableness.’” In re W.T. Grant Co., 699 F.2d 599, 608 (2d Cir. 1983) (citation omitted); see also In re Ambac Fin. Group, Inc., 457 B.R. at 304 (same). Thus, bankruptcy courts in the Second Circuit have applied the following factors in determining whether a settlement should be approved:

- (1) the balance between the litigation’s possibility of success and the settlement’s future benefits;
- (2) the likelihood of complex and protracted litigation, with its attendant expense, inconvenience, and delay, including the difficulty in collecting on the judgment;
- (3) the paramount interests of the creditors, including each affected class’s relative benefits and the degree to which creditors either do not object to or affirmatively support the proposed settlement;
- (4) whether other parties in interest support the settlement;
- (5) the competency and experience of counsel supporting, and the experience and knowledge of the bankruptcy court judge reviewing, the settlement;
- (6) the nature and breadth of releases to be obtained by officers and directors; and
- (7) the extent to which the settlement is the product of arm’s-length bargaining.

Motorola, Inc. v. Official Comm. of Unsecured Creditors (In re Iridium Operating LLC), 478 F.3d 452, 462 (2d Cir. 2007) (internal citations omitted); see also In re Ambac Fin. Group, Inc.,

457 B.R. at 304 (applying Iridium factors). In addition, courts in the Southern District of New York have elaborated upon these factors to include a weighing of the informed judgment, competency, and experience of the debtor in possession and its counsel. See Nellis, 165 B.R. at 122 (“[A] bankruptcy court may consider the opinions of the [debtor in possession] and [its] counsel that the settlement is fair and equitable.”).

15. As set forth below, LightSquared submits that the Settlement Agreement represents a fair and equitable settlement as it relates to LightSquared that falls well within the range of reasonableness.

16. First, Iridium factors (1) and (2) support approval of the Settlement Agreement because it fully, finally, and forever resolves, discharges, and settles costly litigation regarding the Sprint Bankruptcy Claims and LightSquared’s potential claims against Sprint with no further out-of-pocket expense to LightSquared.

17. As described above, Sprint has filed unliquidated claims against LightSquared’s estates and alleges that it may be owed at least \$110 million dollars based on costs incurred pursuant to the Master Services Agreement. In addition, Sprint Nextel has filed a priority claim for \$11,797.95 against LightSquared Inc. for services rendered at least in part during the prepetition period. Absent approval of the Settlement Agreement, LightSquared intends to contest each of the Sprint Bankruptcy Claims. Prosecuting plenary objections to the claims would cause LightSquared’s estates to incur significant litigation costs. For instance, LightSquared’s objections would require considerable, protracted discovery (including third-party discovery) and trials regarding such complex issues as the appropriate Disputed Amount, if any, as a result of Sprint’s unwind of the Master Services Agreement and the basis for seeking priority status for the claim filed by Sprint Nextel. If successful with its objections,

LightSquared would at best be able to eliminate the Sprint Bankruptcy Claims altogether. Even in that circumstance, LightSquared may not achieve certainty in the result until any appeals that Sprint and Sprint Nextel may pursue has been fully and finally resolved.

18. Similarly, LightSquared has considered – in consultation with its counsel – the value of the potential claim its estates may have for fraudulent transfer against Sprint arising out of the Master Services Agreement and its unwind. Pursuing those claims not only would cost LightSquared’s estates significant sums in protracted litigation, but LightSquared has determined that there are also potentially very strong defenses to such claims. Accordingly, such litigation would necessarily involve multi-faceted discovery and determinations of such complex factual issues as the reasonableness of the value LightSquared received in exchange for the transfers – issues that are not certain to be resolved in LightSquared’s favor. Here too, if LightSquared succeeds on such claims, it may not achieve certainty in the result until all appeals are resolved. Thus, the Settlement Agreement enables LightSquared to achieve a final result immediately *without* the added expense, delay, and risk associated with litigation.

19. Moreover, the Settlement would entitle LightSquared LP to a \$1,011,371 Settlement Payment, which it may not be entitled to if unsuccessful in litigation, and would result in a release of liens that Sprint currently has against the Prepetition LP Collateral. The compromises set forth in the Settlement Agreement reflect LightSquared’s sound business judgment after considering the probability of successfully objecting to the Sprint Bankruptcy Claims and LightSquared’s claims against Sprint. Accordingly, LightSquared submits that accepting payment from Sprint while also avoiding costly litigation with Sprint and Sprint Nextel over the Sprint Bankruptcy Claims and the Master Services Agreement (which would also likely distract key personnel from the important task of reorganizing LightSquared) is in the



best interest of LightSquared and its stakeholders. See Will v. Nw. Univ. (In re Nutraquest, Inc.), 434 F.3d 639, 646 (3d Cir. 2006) (noting that “settlement will almost always reduce the complexity and inconvenience of litigation”).

20. Second, Iridium factor (3) favors approval of the Settlement Agreement as it is in the best interest of all stakeholders for at least two significant reasons. The proposed Settlement Agreement will resolve significant – in fact, some of the largest – disputed claims against LightSquared, thereby providing much needed predictability with respect to LightSquared’s claims pool in anticipation of the confirmation of a plan of reorganization. Moreover, the proposed Settlement Agreement preserves value for the estates as it requires no further payment from LightSquared – indeed, it means LightSquared will receive payment *from* Sprint of over \$1 million – and allows for the avoidance of further costly litigation, thus increasing LightSquared’s liquidity during the remainder of these Chapter 11 Cases. The proposed Settlement Agreement is therefore in the best interest of LightSquared’s estates and stakeholders.

21. Third, Iridium factors (5) and (7) are satisfied here because the Settlement Agreement was negotiated and proposed by the Settlement Parties without collusion, in good faith, and from arms’-length bargaining positions. Moreover, each of the Settlement Parties was represented by competent and experienced counsel during the entire negotiation process.

22. Finally, Iridium factor (6) favors approval of the Settlement Agreement because LightSquared submits that the LightSquared releases are appropriate in nature and scope given that the Settlement Agreement resolves all of the Sprint Bankruptcy Claims and LightSquared’s potential claims against Sprint arising out of the Master Services Agreement and its unwind. The releases are an integral part of the settlement as Sprint has conditioned the

effectiveness of the Settlement Agreement upon this Court's express approval of releases contained therein. Indeed, Sprint and Sprint Nextel have informed LightSquared that they seek finality through the Settlement Agreement and are unwilling to settle if there is risk of future claims by LightSquared or the LightSquared estates. Further, as discussed above, the bringing of any future claims against Sprint or Sprint Nextel, relating to the Master Services Agreement or the Sprint Bankruptcy Claims, will cause LightSquared to incur significant litigation-related expenses that it seeks to avoid through the Settlement Agreement. The releases set forth in the Settlement Agreement are an integral part of the settlement because they are designed to prevent, to the fullest extent permitted by applicable law, the bringing of claims that were, could have been, might have been, or might be in the future asserted in connection with the Master Services Agreement and the Sprint Bankruptcy Claims, and to provide a mechanism by which the Settlement Parties can fully, and forever, resolve any and all claims connected with the facts giving rise thereto.

23. Courts regularly hold that providing releases "to . . . non-Debtors is permissible where a material benefit results to the Debtors' estates and advances consummation of a Plan." In re Drexel Burnham Lambert Group, 130 B.R. 910, 928 (S.D.N.Y. 1991), aff'd, 960 F.2d 285 (2d Cir. 1992); see also Kenton County Bondholders Comm. v. Delta Air Lines, Inc. (In re Delta Air Lines, Inc.), 374 B.R. 516, 526 (S.D.N.Y. 2007) (upholding bankruptcy court's approval of releases in settlement agreement because, *inter alia*, releases "comprised valuable consideration" in exchange for settling party's agreement to give up certain rights against debtors); Enron Corp., 2003 WL 230838 at \*3 (upholding approval of settlement agreement with mutual releases); In re MF Global Inc., 466 B.R. at 250 (approving settlement agreement with mutual releases) In re Ambac Fin. Group, Inc., 457 B.R. at 307 (approving settlement agreement

containing releases, noting that “the releases and injunctions [were] one integral aspect of a multi-faceted settlement, and [the court found] no reason to disagree with the Debtor’s business judgment in evaluating the appropriateness of such releases and injunctions . . . with the overall settlement”); Drexel Burnham, 134 B.R. at 498 (approving “quid pro quo” exchange of debtor release of claims against creditor in exchange for such creditor’s agreement to waive its claims against estate).

24. In sum, LightSquared has determined, exercising its sound business judgment, that the Settlement Agreement is fair, equitable, and eminently reasonable to LightSquared, thereby satisfying the standards of Bankruptcy Rule 9019. LightSquared submits that the withdrawal of the Sprint Bankruptcy Claims and the release of the Sprint Liens, coupled with the making of the Settlement Payment, result in the settlement undoubtedly surpassing “the lowest point in the range of reasonableness.” W.T. Grant Co., 699 F.2d at 608. Accordingly, LightSquared believes that the relief requested herein is in the best interests of LightSquared’s estates and stakeholders and respectfully requests that the Court enter the Order approving the Settlement Agreement.

#### **Motion Practice**

25. 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 Rule 9013-1(a) of the Local Bankruptcy Rules for the Southern District of New York.

#### **Notice**

26. 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 U.S. Trustee,

(b) the entities listed on the Consolidated List of Creditors Holding the 20 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d), (c) counsel to the Prepetition Agents, (d) counsel to the DIP Agent, (e) counsel to the ad hoc secured group of Prepetition LP Lenders, (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 Federal Communications Commission, (j) Industry Canada, (k) counsel to Sprint and Sprint Nextel, and (l) 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**

27. No prior motion for the relief requested herein has been made by LightSquared to this or any other court.

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

New York, New York  
Dated: February 13, 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**

**Settlement Agreement**

**AGREEMENT OF COMPROMISE AND SETTLEMENT**

This Agreement of Compromise and Settlement (the “Agreement” or “Settlement”) is entered into as of this 13th day of February, 2013 between and among LightSquared (as defined herein), Sprint (as defined herein), and Sprint Nextel.

**RECITALS**

WHEREAS, LightSquared Inc. and LightSquared LP entered into that certain Master Services Agreement, dated as of June 3, 2011 (as amended, supplemented, amended and restated, or otherwise modified from time to time, the “Master Services Agreement”), with SprintCom, Inc. (“Sprint”), pursuant to which Sprint agreed to design, deploy, operate, manage and maintain a nationwide terrestrial broadband mobile network that would utilize LightSquared’s spectrum to provide 4G wireless services throughout the United States;

WHEREAS, LightSquared LP paid Sprint \$310,000,000 in advance payments (the “Advance Payments”) for work on the network and its eventual operation;

WHEREAS, pursuant to the terms of the Master Services Agreement, Sprint was entitled to unwind the Master Services Agreement during certain periods of time (the “Unwind Period”);

WHEREAS, LightSquared Inc., LightSquared LP, and Sprint, from time to time, agreed to extend the Unwind Period, including, pursuant to that certain Amendment No. 6 to the Master Services Agreement (“Amendment No. 6”), which provided for, among other things, the final extension of the Unwind Period to commence at any point after March 15, 2012;

WHEREAS, Section 1.05 of the Master Services Agreement, as amended by Amendment No. 6, provided for a termination and reconciliation process of all costs incurred by Sprint and the fees paid by LightSquared LP to Sprint under the Master Services Agreement, with an unwind amount to be paid by either Sprint or LightSquared LP, as appropriate;

WHEREAS, pursuant to Amendment No. 6, LightSquared Inc., LightSquared LP, and Sprint agreed that Sprint had fully earned the amounts set forth in Schedule 1.05(5), attached as Exhibit A to Amendment No. 6, and that such amount was no longer subject to the unwind or dispute under the Master Services Agreement;

WHEREAS, pursuant to Amendment No. 6, Sprint agreed to pay to LightSquared LP \$65,000,000 from the Advance Payments, which amount was paid on March 15, 2012 (the “First Allocation”), leaving \$8,527,832 (the “Unallocated Balance”) of the Advance Payments subject to the termination and unwind process set forth in Section 1.05 of the Master Services Agreement;

WHEREAS, under the Master Services Agreement, Sprint asserts that it incurred certain costs of not less than \$205,000,000 arising from transactions with American Tower Company arising to secure capacity and entitlements required for the LightSquared network (the “ATC Costs”);

WHEREAS, in Amendment No. 6, Sprint agreed to accept \$95,000,000 in respect of incremental ATC Costs as part of the First Allocation and reserved its claim as to the disputed balance of \$110,000,000 (the "Disputed Amount");

WHEREAS, on March 16, 2012 (the "Unwind Exercise Date"), Sprint declined to extend the Unwind Period further and terminated the Master Services Agreement, which was in the best interests of each of Sprint, LightSquared Inc., and LightSquared LP;

WHEREAS, as of the Unwind Exercise Date, Sprint, LightSquared Inc., and LightSquared LP reconciled the allocation of the Unallocated Balance in compliance with the termination and unwind process set forth in Section 1.05 of the Master Services Agreement, resulting in a payment to LightSquared LP in the amount of \$2,332,794, and an agreement among the Parties that \$3,737,604 (the "Remaining Advance Payment") should be retained by Sprint pending further reconciliation;

WHEREAS, Sprint, LightSquared Inc., and LightSquared LP have fully reconciled the appropriate allocation of the Remaining Advance Payment, and determined that LightSquared LP is entitled to \$1,011,371 of the Remaining Advance Payment and Sprint is entitled to \$2,726,233 of the Remaining Advance Payment;

WHEREAS, on May 14, 2012, LightSquared filed petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), which are being jointly administered under Case No. 12-12080 (SCC) (the "Chapter 11 Cases");

WHEREAS, on August 3, 2012, Sprint Nextel filed proof of claim no. 31, asserting a priority claim in the amount of \$11,757.95, and Sprint filed proof of claim nos. 157 and 158, asserting unliquidated, secured claims under the Master Services Agreement, including the Disputed Amount (collectively, the "Sprint Bankruptcy Claims");

WHEREAS, the Parties to the Settlement, without any admission as to liability or wrongdoing and subject to the terms and conditions contained in this Agreement, intend to settle and to resolve, fully and finally, all disputes between them, including, but not limited to, those arising out of or relating to the Master Services Agreement and the Sprint Bankruptcy Claims and all claims, allegations, liabilities, demands, damages, actions, and causes of action that have been or could have been asserted from the beginning of time to the Effective Date (as defined below) in any forum by the Parties, except for claims relating to the enforcement of this Agreement;

NOW, THEREFORE, for and in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

## **AGREEMENT**

### **1. Definitions**

- (a) "Sprint Released Parties" means Sprint and Sprint Nextel, and each of their former, current, and future officers, employees, directors, agents, owners, members, partners, financial advisors, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, and predecessors in interest, and each of their heirs, executors, successors, and assigns and/or representatives of the foregoing.
- (b) "LightSquared" means, collectively, LightSquared Inc., LightSquared LP, LightSquared Corp., LightSquared Network LLC, One Dot Six Corp., TMI Communications Delaware, Limited Partnership, ATC Technologies, LLC, LightSquared Bermuda Ltd., LightSquared Finance Co., LightSquared GP Inc., LightSquared Inc. of Virginia, LightSquared Investors Holdings Inc., LightSquared Subsidiary LLC, One Dot Four Corp., One Dot Six TVCC Corp., SkyTerra (Canada) Inc., SkyTerra Holdings (Canada) Inc., SkyTerra Investors LLC, SkyTerra Rollup LLC, and SkyTerra Rollup Sub LLC, as debtors and debtors in possession in the Chapter 11 Cases, and the bankruptcy estates of each of the foregoing.
- (c) "LightSquared Released Parties" means LightSquared and its former, current, and future officers, employees, directors, agents, representatives, owners, members, partners, financial advisors, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, and predecessors in interest, and each of their heirs, executors, successors, and assigns.
- (d) The "Parties" to this Agreement are, collectively, Sprint, Sprint Nextel, and LightSquared.
- (e) "Effective Date" means the date on which all of the following shall have occurred:
  - (1) an order, substantially in the form attached hereto as Exhibit A, approving this Agreement (the "9019 Order") shall have been entered by the Bankruptcy Court, and;
  - and (2) such approval is affirmed on appeal or all time periods for appeals, unless waived, have expired under the applicable Federal Rules of Civil Procedure, Federal Rules of Appellate Procedure, and/or Federal Rules of Bankruptcy Procedure.

### **2. Consideration**

One (1) business day after the Effective Date, Sprint shall make payment by wire transfer to LightSquared LP, in accordance with the wire transfer instructions to be provided by LightSquared, in the amount of \$1,011,371 (the "Settlement Payment"). The consideration to be exchanged by and among the Parties pursuant to this Agreement, includes, the Settlement Payment, the exchange of releases and the compromise of claims, the withdrawal of the Sprint Bankruptcy Claims, and the other covenants and undertakings set forth herein.



### **3. Releases**

- (a) **Release of Sprint by LightSquared:** Upon the Effective Date, LightSquared hereby forever and irrevocably releases, discharges, waives, and acquits any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness, and obligations existing as of the Effective Date whatsoever in law, admiralty, and equity, whether presently known or unknown, accrued or not accrued, foreseen or unforeseen, matured or not matured, which LightSquared, and any party acting by, through, or under LightSquared, now have or hereafter can, shall, or may have against the Sprint Released Parties for, upon, or by reason of any matter, cause, or thing whatsoever from the beginning of the world to the Effective Date, that relate in any way, directly or indirectly, to the Master Services Agreement and/or the Sprint Bankruptcy Claims (collectively, the "LightSquared Released Claims"). Nothing contained herein shall release Sprint or Sprint Nextel from any obligations under this Agreement.
- (b) **Release of LightSquared by Sprint:** Upon the Effective Date, Sprint and Sprint Nextel hereby forever and irrevocably release, discharge, waive, and acquit any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness, and obligations existing as of the Effective Date whatsoever in law, admiralty and equity, whether presently known or unknown, accrued or not accrued, foreseen or unforeseen, matured or not matured, which Sprint or Sprint Nextel and any party acting by, through or under Sprint or Sprint Nextel have or hereafter can, shall, or may have against the LightSquared Released Parties for, upon, or by reason of any matter, cause, or thing whatsoever from the beginning of the world to the Effective Date, that relate in any way, directly or indirectly, to the Master Services Agreement and/or the Sprint Bankruptcy Claims (collectively, the "Sprint Released Claims"). Nothing contained herein shall release LightSquared from any obligations under this Agreement.

### **4. Sprint Bankruptcy Claims**

Sprint and Sprint Nextel agree that, effective upon the Effective Date, Sprint and Sprint Nextel hereby fully, finally, and forever withdraw the Sprint Bankruptcy Claims with prejudice.

### **5. Release of Lien**

Sprint agrees that, effective upon the Effective Date, it hereby fully, finally and forever releases its liens against LightSquared's property..

Without limiting the foregoing, upon the Effective Date, Sprint shall deliver to the Collateral Trustee a Consent, Direction and Notice in the form attached hereto as Exhibit B (the "Consent"), pursuant to which Sprint shall (i) consent to and direct the Collateral Trustee to terminate all Sprint Second Lien Security Documents (as such term is defined in the Collateral Trust Agreement), (ii) authorize the Collateral Trustee to

terminate of record all Uniform Commercial Code financing statements, Personal Property Security Act registrations, and United States Patent and Trademark Office filings made in connection with the Sprint Second Lien Obligations (as such term is defined in the Collateral Trust Agreement), and (iii) provide written notice to the Collateral Trustee that, upon termination by the Collateral Trustee of all Sprint Second Lien Security Documents (as such term is defined in the Collateral Trust Agreement), the Discharge of Sprint Second Lien Collateral Requirements (as such term is defined in the Collateral Trust Agreement) shall have occurred. From and after delivery by Sprint to the Collateral Trustee of the Consent, neither the Sprint Second Lien Representative nor any holder of Sprint Second Lien Obligations shall have any further obligation under the Collateral Trust Agreement.

In addition, Sprint shall take all such other steps reasonably necessary and as reasonably required by LightSquared to effectuate such release.

**6. Representations**

- (a) Each of the Parties represents and warrants that it is authorized to execute, deliver, and perform this Agreement and that this Agreement constitutes a legal, valid, and binding obligation and that it is enforceable in accordance with its terms.
- (b) Each of the Parties represents and warrants that (i) this is a binding agreement, enforceable against it in accordance with its terms, (ii) it has not sold, assigned, transferred, or otherwise disposed of any of the claims, cross-claims, demands or rights that are the subject of this Agreement, and (iii) it will take all necessary actions to effectuate the terms of this Agreement.
- (c) Each of the Parties represents and warrants that its respective attorneys have fully explained the meaning and effect of this Agreement. The Parties to this Agreement further represent and warrant that they have read and understand this Agreement. The Parties to this Agreement further represent and warrant that they have signed this Agreement without duress, coercion, or undue influence. In making this Agreement, the Parties have not relied upon any statement or representation pertaining to this matter, other than those representations expressly stated herein, but rather each has relied solely upon its own legal counsel, representatives, agents, and employees.
- (d) LightSquared represents and warrants that it possesses the authority to prosecute and settle the LightSquared Released Claims as defined in sub-paragraph 3(a) above.
- (e) Sprint and Sprint Nextel each represent and warrant that, as of the date that they execute and deliver this Agreement, (i) they are the sole beneficial owners of the Sprint Released Claims as defined in sub-paragraph 3(b) above, (ii) they possess full power and authority to prosecute, settle, vote, and consent to matters concerning the Sprint Released Claims, and (iii) they have not disposed of, exchanged, assigned, or transferred the Sprint Released Claims.

**7. Choice of Law**

This Agreement shall be governed by and construed in accordance with the Bankruptcy Code (to the extent applicable) and the laws of the State of New York for contracts entered into and performed within the State without regard to conflicts of law principles that would purport to apply the law of another jurisdiction.

**8. Compromise**

This Agreement constitutes a compromise of matters that are unresolved between the Parties. Neither the execution of this Agreement nor any acts undertaken pursuant to the Agreement shall be construed as an admission or evidence of any liability or wrongdoing whatsoever on the part of any Party, which liability or wrongdoing is hereby expressly denied and disclaimed by each Party. Neither this Agreement, nor the fact of its execution, nor any of its provisions, shall be offered or received in evidence in any action or proceeding of any nature or otherwise referred to or used in any manner in any court or other tribunal, except in a proceeding to enforce the terms of the Settlement.

**9. Notices**

All notices required or permitted under this Agreement shall be in writing and delivered by any method providing proof of delivery, including facsimile. Any notice shall be deemed to have been given on the date of receipt. Notices shall be delivered to the Parties at the following addresses until a different address has been designated by the Party:

**Sprint:** McGuireWoods LLP  
1750 Tysons Boulevard  
Suite 1800  
Tysons Corner, VA 22102  
Attention: David I. Swan, Esq.

**LightSquared:** Milbank, Tweed, Hadley & McCloy  
1 Chase Manhattan Plaza  
New York, NY 10005  
Attention: Matthew S. Barr, Esq.  
James H. Ball, Jr., Esq.  
Karen Gartenberg, Esq.

**10. Judicial Approval**

Promptly upon execution of this Agreement, but by no later than ten (10) calendar days thereafter, LightSquared shall file a motion seeking entry of the 9019 Order. Upon execution, this Agreement is of full force and effect and binding on the Parties, conditioned only on the Bankruptcy Court's entry of the 9019 Order.

**11. Integration**

This Agreement constitutes the entire agreement of the Parties, and supersedes any and all prior statements, representations, promises, or other agreements, written or oral, with respect to the subject matter of this Agreement. This Agreement may be amended or any of its provisions waived only in a writing signed by each of the Parties to this Agreement.

**12. Successors**

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, successors, and assigns, and upon any corporation or other entity into or with which any Party hereto may merge, combine, or consolidate (provided that the Party is the survivor in such merger, combination, or consolidation).

**13. Rules of Construction**

Each Party and counsel to each Party have reviewed and approved this Agreement, and, accordingly, any presumption or other rule of construction that any ambiguities be resolved against the drafting Party shall not be employed in the interpretation of this Agreement.

**14. Counterparts**

This Agreement may be signed in one or more counterpart copies, each of which, taken together, shall constitute one and the same agreement, though no single counterpart bears all Parties' signatures. Facsimile or electronic signatures shall be treated as original signatures.

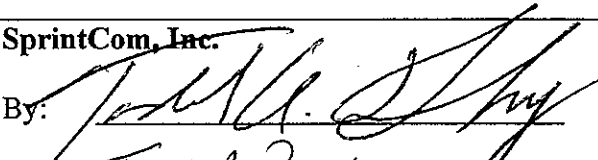
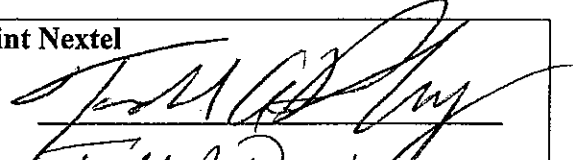
IN WITNESS WHEREOF, this Agreement has been executed by the Parties by their duly authorized representatives signing below.

|  |  |
|--|--|
| <b>LightSquared Inc., et al., as debtors and debtors in possession</b><br><br>By: <u>Curtis P. Lu</u><br><br>Name: Curtis Lu<br><br>Title: General Counsel |  |
|--|--|

|  |  |
|--|--|
| <b>SprintCom, Inc.</b><br><br>By: _____<br><br>Name: _____<br><br>Title: _____ | <b>Sprint Nextel</b><br><br>By: _____<br><br>Name: _____<br><br>Title: _____ |
|--|--|

IN WITNESS WHEREOF, this Agreement has been executed by the Parties by their duly authorized representatives signing below.

|  |  |
|--|--|
| <b>LightSquared Inc., et al., as debtors and debtors in possession</b><br><br>By: _____<br><br>Name: Curtis Lu<br><br>Title: General Counsel |  |
|--|--|

|   |  |
|---|--|
| <b>SprintCom, Inc.</b><br>By: <br>Name: <u>Todd A. Rowley</u><br>Title: <u>V.P. Business Development</u> | <b>Sprint Nextel</b><br>By: <br>Name: <u>Todd A. Rowley</u><br>Title: <u>V.P. Business Development</u> |
|---|--|

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

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

**ORDER, PURSUANT TO SECTION 105(a) OF BANKRUPTCY CODE AND  
BANKRUPTCY RULES 6006, 9014, AND 9019, (A) APPROVING SETTLEMENT  
AGREEMENT REGARDING SPRINT CLAIMS UNDER MASTER SERVICES  
AGREEMENT AND (B) AUTHORIZING ANY AND ALL ACTIONS  
NECESSARY TO CONSUMMATE SETTLEMENT AGREEMENT**

Upon the motion, dated February 13, 2013 (the "Motion"),<sup>2</sup> of LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, "LightSquared") in the above-captioned chapter 11 cases (the "Chapter 11 Cases"), for entry of an order, pursuant to section 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended, the "Bankruptcy Code"), and rules 6006, 9014, and 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), (a) approving and authorizing LightSquared to enter into the Settlement Agreement, a copy of which is attached to the Motion as Exhibit A, resolving the Sprint Bankruptcy Claims, and (b) authorizing LightSquared to take any and all actions

<sup>1</sup> 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.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion, the Cash Collateral Order, the DIP Order, the Collateral Trust Agreement, or the Settlement Agreement, as applicable. To the extent of any inconsistency between the Motion and the Settlement Agreement, the Settlement Agreement shall control.

reasonably necessary to consummate, and to perform any and all obligations contemplated in, the Settlement Agreement, all as more fully set forth in the Motion; and the Court having considered the Motion and determined that approving and authorizing LightSquared's entry into the Settlement Agreement is an exercise of LightSquared's sound business judgment and is in the best interests of LightSquared's estates, its creditors, and other parties in interest; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and the Application in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Motion appearing adequate and appropriate under the circumstances; and the Court having found that no other or further notice is needed or necessary; and the Court having reviewed the Motion and having heard statements in support of the Motion at a hearing held before the Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby **ORDERED** that:

1. The relief requested in the Motion is granted.
2. Pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, the Settlement Agreement and all of the terms set forth therein are approved in their entirety.
3. LightSquared's entry into, and performance of all of its obligations under, the Settlement Agreement is approved.



4. Upon the occurrence of the Effective Date, claim numbers 31, 157, and 158 shall be deemed to be disallowed and expunged from the claims register without further order from the Court.

5. As of the Effective Date, the Sprint Second Lien Security Documents shall terminate and the Second Lien of the Collateral Trustee shall be deemed fully, finally, and forever released. The Collateral Trustee shall take such further actions, at the expense of LightSquared LP, as may be reasonably requested by LightSquared to evidence such termination and release.

6. LightSquared is authorized to take any and all actions reasonably necessary to consummate, and perform any and all obligations contemplated in, the Settlement Agreement, and otherwise take any actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

7. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

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

Dated: \_\_\_\_\_, 2013  
New York, New York

---

HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE

CONSENT, DIRECTION AND NOTICE

February \_\_, 2013

Wilmington Trust FSB  
1100 North Market Street  
Wilmington, Delaware 19890  
Attention: James A. Hanley  
Telephone: (302) 636-6453  
Fax: (302) 636-4145

Ladies and Gentlemen:

Reference is made to the Collateral Trust Agreement dated as of October 1, 2010 among LightSquared LP, the Guarantors party thereto, UBS AG, Stamford Branch, as Administrative Agent under the Credit Agreement (as defined therein), the other Parity Lien Representatives and Second Lien Representatives from time to time party thereto, and Wilmington Trust FSB, as Collateral Trustee, as amended by that certain First Amendment to Collateral Trust Agreement, dated as of June 1, 2011, by and among LightSquared LP, LightSquared Inc. and the other Guarantors from time to time party thereto, and the Collateral Trustee (as so amended, the "*Collateral Trust Agreement*"). Capitalized terms used but not otherwise defined herein have the meanings assigned to them in the Collateral Trust Agreement.

This consent, direction and notice is being provided by Sprint, in its capacity as Sprint Second Lien Representative, to Wilmington Trust FSB, in its capacity as Collateral Trustee, pursuant to and in accordance with Section 7.8(b) of the Collateral Trust Agreement.

Sprint hereby (i) consents to and directs the Collateral Trustee to terminate all Sprint Second Lien Security Documents, (ii) authorizes the Collateral Trustee to terminate of record all Uniform Commercial Code financing statements, Personal Property Security Act registrations, and United States Patent and Trademark Office filings made in connection with the Sprint Second Lien Obligations, and (iii) provides written notice to the Collateral Trustee that, upon termination by the Collateral Trustee of all Sprint Second Lien Security Documents, the Discharge of Sprint Second Lien Collateral Requirements shall have occurred. From and after the date hereof, neither the Sprint Second Lien Representative nor any holder of Sprint Second Lien Obligations shall have any obligation under the Collateral Trust Agreement.

SPRINT.COM, INC.

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

**ACKNOWLEDGEMENT OF RECEIPT**

The undersigned, the duly appointed Collateral Trustee under the Collateral Trust Agreement, hereby acknowledges receipt of the forgoing Consent, Direction and Notice of Termination of Sprint Second Lien Security Documents and Discharge of Sprint Second Lien Collateral Requirements.

WILMINGTON TRUST FSB, as Collateral Trustee

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Exhibit B**

**Proposed Order**

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

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

**ORDER, PURSUANT TO SECTION 105(a) OF BANKRUPTCY CODE AND  
BANKRUPTCY RULES 6006, 9014, AND 9019, (A) APPROVING SETTLEMENT  
AGREEMENT REGARDING SPRINT CLAIMS UNDER MASTER SERVICES  
AGREEMENT AND (B) AUTHORIZING ANY AND ALL ACTIONS  
NECESSARY TO CONSUMMATE SETTLEMENT AGREEMENT**

Upon the motion, dated February 13, 2013 (the “Motion”),<sup>2</sup> of LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, “LightSquared”) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”), for entry of an order, pursuant to section 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended, the “Bankruptcy Code”), and rules 6006, 9014, and 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), (a) approving and authorizing LightSquared to enter into the Settlement Agreement, a copy of which is attached to the Motion as Exhibit A, resolving the Sprint Bankruptcy Claims, and (b) authorizing LightSquared to take any and all actions

<sup>1</sup> 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.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion, the Cash Collateral Order, the DIP Order, the Collateral Trust Agreement, or the Settlement Agreement, as applicable. To the extent of any inconsistency between the Motion and the Settlement Agreement, the Settlement Agreement shall control.

reasonably necessary to consummate, and to perform any and all obligations contemplated in, the Settlement Agreement, all as more fully set forth in the Motion; and the Court having considered the Motion and determined that approving and authorizing LightSquared's entry into the Settlement Agreement is an exercise of LightSquared's sound business judgment and is in the best interests of LightSquared's estates, its creditors, and other parties in interest; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and the Application in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Motion appearing adequate and appropriate under the circumstances; and the Court having found that no other or further notice is needed or necessary; and the Court having reviewed the Motion and having heard statements in support of the Motion at a hearing held before the Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby **ORDERED** that:

1. The relief requested in the Motion is granted.
2. Pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, the Settlement Agreement and all of the terms set forth therein are approved in their entirety.
3. LightSquared's entry into, and performance of all of its obligations under, the Settlement Agreement is approved.

4. Upon the occurrence of the Effective Date, claim numbers 31, 157, and 158 shall be deemed to be disallowed and expunged from the claims register without further order from the Court.

5. As of the Effective Date, the Sprint Second Lien Security Documents shall terminate and the Second Lien of the Collateral Trustee shall be deemed fully, finally, and forever released. The Collateral Trustee shall take such further actions, at the expense of LightSquared LP, as may be reasonably requested by LightSquared to evidence such termination and release.

6. LightSquared is authorized to take any and all actions reasonably necessary to consummate, and perform any and all obligations contemplated in, the Settlement Agreement, and otherwise take any actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

7. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

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

Dated: \_\_\_\_\_, 2013  
New York, New York

---

HONORABLE SHELLEY C. CHAPMAN  
UNITED STATES BANKRUPTCY JUDGE

**TAB G**



Exhibit "G" to the Affidavit of Elizabeth Creary,  
sworn before me this 1st day of March, 2013.



Commissioner for Taking Affidavits, etc.

Jawaid Panjwani, a Commissioner, etc.,  
Province of Ontario, while a Student-at-Law.  
Expires April 6, 2014

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

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

**ORDER, PURSUANT TO SECTION 105(a) OF BANKRUPTCY CODE AND  
BANKRUPTCY RULES 6006, 9014, AND 9019, (A) APPROVING SETTLEMENT  
AGREEMENT REGARDING SPRINT CLAIMS UNDER MASTER SERVICES  
AGREEMENT AND (B) AUTHORIZING ANY AND ALL ACTIONS  
NECESSARY TO CONSUMMATE SETTLEMENT AGREEMENT**

Upon the motion, dated February 13, 2013 (the "Motion"),<sup>2</sup> of LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, "LightSquared") in the above-captioned chapter 11 cases (the "Chapter 11 Cases"), for entry of an order, pursuant to section 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended, the "Bankruptcy Code"), and rules 6006, 9014, and 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), (a) approving and authorizing LightSquared to enter into the Settlement Agreement, a copy of which is attached to the Motion as Exhibit A, resolving the Sprint Bankruptcy Claims, and (b) authorizing LightSquared to take any and all actions

<sup>1</sup> 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.

<sup>2</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion, the Cash Collateral Order, the DIP Order, the Collateral Trust Agreement, or the Settlement Agreement, as applicable. To the extent of any inconsistency between the Motion and the Settlement Agreement, the Settlement Agreement shall control.

reasonably necessary to consummate, and to perform any and all obligations contemplated in, the Settlement Agreement, all as more fully set forth in the Motion; and the Court having considered the Motion and determined that approving and authorizing LightSquared's entry into the Settlement Agreement is an exercise of LightSquared's sound business judgment and is in the best interests of LightSquared's estates, its creditors, and other parties in interest; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and the Application in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Motion appearing adequate and appropriate under the circumstances; and the Court having found that no other or further notice is needed or necessary; and the Court having reviewed the Motion and having heard statements in support of the Motion at a hearing held before the Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby **ORDERED** that:

- a. The relief requested in the Motion is granted.
- b. Pursuant to section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019, the Settlement Agreement and all of the terms set forth therein are approved in their entirety.
- c. LightSquared's entry into, and performance of all of its obligations under, the Settlement Agreement is approved.

d. Upon the occurrence of the Effective Date, claim numbers 31, 157, and 158 shall be deemed to be disallowed and expunged from the claims register without further order from the Court.

e. As of the Effective Date, the Sprint Second Lien Security Documents shall terminate and the Second Lien of the Collateral Trustee shall be deemed fully, finally, and forever released. The Collateral Trustee shall take such further actions, at the expense of LightSquared LP, as may be reasonably requested by LightSquared to evidence such termination and release.

f. LightSquared is authorized to take any and all actions reasonably necessary to consummate, and perform any and all obligations contemplated in, the Settlement Agreement, and otherwise take any actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

g. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

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

Dated: February 27, 2013  
New York, New York

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

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

|  |   |
|--|---|
|  | <p><b>ONTARIO</b></p> <p><b>SUPERIOR COURT OF JUSTICE</b></p> <p>PROCEEDING COMMENCED AT<br/>TORONTO</p> <p><b>AFFIDAVIT OF ELIZABETH<br/>CREARY</b><br/>(Sworn March 1, 2013)</p> <p>FRASER MILNER CASGRAIN LLP<br/>77 King Street West, Suite 400<br/>Toronto-Dominion Centre<br/>Toronto, Ontario<br/>M5K 0A1</p> <p>R. Shayne Kukulowicz /<br/>Jane O. Dietrich<br/>LSUC No.: 30729S / 49302U<br/>Tel: 416 863-4740 / (416) 863-4467<br/>Fax: (416) 863-4592<br/>Email:<br/>shayne.kukulowicz@fmc-law.com<br/>jane.dietrich@fmc-law.com</p> <p><i>Lawyers for the Chapter 11 Debtors.</i></p> |
|--|---|

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 March 8, 2013)

FRASER MILNER CASGRAIN LLP  
77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto, Ontario  
M5K 0A1

R. Shayne Kukulowicz / Jane O. Dietrich  
LSUC No.: 30729S / 49302U  
Tel: 416 863-4740 / (416) 863-4467  
Fax: (416) 863-4592  
Email: shayne.kukulowicz@fmc-law.com  
jane.dietrich@fmc-law.com

*Lawyers for the Chapter 11 Debtors.*