

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

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

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

**MOTION RECORD
(Returnable March 20, 2013)**

March 12, 2013

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TAB 1

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

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

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LIGHTSQUARED INC., LIGHTSQUARED INVESTORS HOLDINGS INC., ONE
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SKYTERRA HOLDINGS (CANADA) INC., SKYTERRA (CANADA) INC. AND
ONE DOT SIX TVCC CORP. (COLLECTIVELY, THE "CHAPTER 11
DEBTORS")**

**NOTICE OF MOTION
(Returnable on March 20, 2013)**

LightSquared LP, on its own behalf and in its capacity as foreign representative of the Chapter 11 Debtors ("**LightSquared**" or the "**Foreign Representative**"), will make a motion to the Court on March 20, 2013 at 10:00 a.m. or as soon after that time as the motion can be heard at 330 University Avenue, Toronto, Ontario.

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

THE MOTION IS FOR:

1. An order substantially in the form of the draft order attached hereto as Schedule “A”, *inter alia*:
 - (a) Abridging the time for service and validating service of this Notice of Motion and Motion Record, such that this motion is properly returnable on March 20, 2013;
 - (b) Recognizing in Canada and giving full force and effect in all provinces and territories of Canada, pursuant to section 49 of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C. 36, as amended (the “**CCAA**”), the following order (the “**Foreign Order**”) of the United States Bankruptcy Court for the Southern District of New York (the “**U.S. Bankruptcy Court**”) made in the cases commenced by the Chapter 11 Debtors in the U.S. Bankruptcy Court under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Chapter 11 Cases**”):
 - (i) Order, Pursuant to 11 U.S.C. §§ 105(a), 363(b), and 363(f), (A) Approving and Authorizing LightSquared Network LLC and LightSquared Corp. To Enter into Consignment Agreement with Rincon Technology, Inc. (the “**Consignment Agreement**”), (B) Authorizing Sale of Consigned Property (the “**Transaction(s)**”), and (C) Authorizing LightSquared to Abandon Unsold Property;
 - (c) Approving the Consignment Agreement and the Transactions;
 - (d) Vesting in Rincon the relevant Canadian assets contemplated under the Consignment Agreement on closing of a Transaction; and

- (e) Approving the sixth report of Alvarez & Marsal Canada Inc. (“**A&M Canada**”), in its capacity as court-appointed information officer (the “**Information Officer**”) of the Chapter 11 Debtors in respect of this proceeding (the “**Sixth Report**”), and the activities of the Information Officer as set out therein.
2. Such further and other relief as counsel may request and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

1. On May 14, 2012, the Chapter 11 Debtors commenced the Chapter 11 Cases by each filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the U.S. Bankruptcy Court;
2. Other than the Chapter 11 Cases and these proceedings, there are no other foreign proceedings in respect of the Chapter 11 Debtors;
3. On May 15, 2012, the Honourable Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the “**Canadian Court**”) granted an order providing certain interim relief to the Chapter 11 Debtors, including a stay of proceedings in respect of the Chapter 11 Debtors, the property and business of the Chapter 11 Debtors and the directors and officers of the Chapter 11 Debtors;
4. On May 15, 2012 and May 16, 2012, the U.S. Bankruptcy Court in the Chapter 11 Cases entered various “first day” orders, including an interim order authorizing LightSquared to act as the Foreign Representative of the Chapter 11 Debtors;

5. On May 18, 2012, the Honourable Justice Morawetz granted an Initial Recognition Order in these proceedings, which among other things: (i) recognized LightSquared as the “foreign representative” of the Chapter 11 Debtors; (ii) declared the Chapter 11 Cases to be a “foreign main proceeding” pursuant to Part IV of the CCAA; and (iii) stayed all proceedings against the Chapter 11 Debtors;
6. On May 18, 2012, the Honourable Justice Morawetz also granted a Supplemental Order in these proceedings, which among other things: (i) recognized and enforced in Canada certain orders of the U.S. Bankruptcy Court in the Chapter 11 Cases; (ii) appointed A&M Canada as Information Officer in these proceedings; (iii) stayed all claims and proceedings in respect of the Chapter 11 Debtors, the property and business of the Chapter 11 Debtors and the directors and officers of the Chapter 11 Debtors; and (iv) granted a super-priority charge over the Chapter 11 Debtors’ property, in favour of the Information Officer and its counsel, as security for their professional fees and disbursements incurred in respect of these proceedings;
7. On June 14, 2012, August 21, 2012 and March 8, 2013, the Canadian Court granted Orders in these proceedings recognizing and enforcing in Canada certain additional orders of the U.S. Bankruptcy Court made in the Chapter 11 Cases, including the “Order Granting LightSquared’s Motion for Order Approving Expedited Procedures for Sale, Transfer, and/or Abandonment of De Minimis Assets”;

Consignment Agreement

8. Pursuant to a motion brought by the Chapter 11 Debtors returnable March 19, 2013, the Chapter 11 Debtors are seeking approval from the U.S. Bankruptcy Court of the Foreign Order and the Consignment Agreement and Transactions contemplated thereunder;

9. The Foreign Representative is of the view that, once granted by the U.S. Bankruptcy Court, the recognition of the Foreign Order and the approval of the Consignment Agreement and Transactions by the Canadian Court is necessary for the protection of the Chapter 11 Debtors' property and the interest of their creditors;
10. Accordingly, the Foreign Representative requests that this Honourable Court (i) recognize in Canada and enforce the Foreign Order, pursuant to Section 49 of the CCAA, and (ii) approve the Consignment Agreement and Transactions;

General

11. The facts as further set out in the Sixth Report and the affidavit of Elizabeth Creary sworn March 11, 2013 (the "**Creary Affidavit**");
12. The provisions of the CCAA, including Part IV;
13. The *Rules of Civil Procedure*, including rules 2.03, 3.02 and 16; and
14. Such further and other grounds as counsel may advise and this Court may permit.

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

1. The Creary Affidavit and the exhibits referred to therein;
2. The affidavit of Christopher Blake Moran attaching the Foreign Order once entered, to be sworn;
3. The Information Officer's Sixth Report, to be filed separately; and
4. Such further and other material as counsel may advise and this Honourable Court may permit.

March 12, 2013

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TO: THE SERVICE LIST

TAB A

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE <>	)	WEDNESDAY, THE 20 th
JUSTICE <>	)	DAY OF MARCH, 2013
)	

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

APPLICATION OF LIGHTSQUARED LP
UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT*
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LLC, LIGHTSQUARED CORP., LIGHTSQUARED FINANCE CO.,
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LIGHTSQUARED SUBSIDIARY LLC, LIGHTSQUARED BERMUDA LTD.,
SKYTERRA HOLDINGS (CANADA) INC., SKYTERRA (CANADA) INC. AND
ONE DOT SIX TVCC CORP. (COLLECTIVELY, THE "CHAPTER 11
DEBTORS")

RECOGNITION ORDER

THIS MOTION, made by LightSquared LP in its capacity as the foreign representative (the "**Foreign Representative**") of the Chapter 11 Debtors, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order substantially in the form attached as Schedule "A" to the notice of motion of the Foreign Representative dated March 12, 2013 (the "**Notice of Motion**"), recognizing an order granted by the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Bankruptcy Court**") in the cases commenced by the

Chapter 11 Debtors under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Chapter 11 Cases**”) and approving the Consignment Agreement (defined below) contemplated thereunder, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the affidavit of Elizabeth Creary sworn March 11, 2013, the sixth report of Alvarez & Marsal Canada Inc., in its capacity as court-appointed information officer (the “**Information Officer**”) of the Chapter 11 Debtors, dated March <>, 2013 (the “**Sixth Report**”) and the affidavit of Christopher Blake Moran sworn March 19, 2013, and on hearing the submissions of counsel for the Foreign Representative and counsel for the Information Officer, no one else appearing although duly served as appears from the affidavit of service of Stephanie Waugh sworn March ●, 2013, filed,

SERVICE

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

RECOGNITION OF FOREIGN ORDER

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

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

attached hereto as Schedule "A", provided, however, that in the event of any conflict between the terms of the Foreign Order and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to the Chapter 11 Debtors' current and future assets, undertakings and properties of every nature and kind whatsoever in Canada.

ADDITIONAL PROVISIONS REGARDING APPROVAL AND VESTING

3. **THIS COURT ORDERS AND DECLARES** that the Transactions are hereby approved, and the execution of the Consignment Agreement by the Chapter 11 Debtors is hereby authorized and approved. The Chapter 11 Debtors are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance of the Canadian assets contemplated under the Consignment Agreement (the "**Canadian Assets**") to a purchaser.

4. **THIS COURT ORDERS AND DECLARES** that the Chapter 11 Debtors are authorized, in accordance with the Foreign Order, to transfer additional equipment to Rincon under the terms of the Consignment Agreement, without further order of this Court.

5. **THIS COURT ORDERS AND DECLARES** that upon the closing of each Transaction, all of the Chapter 11 Debtors' right, title and interest in and to the specific Canadian Assets at issue in the Transaction shall vest absolutely in Rincon, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Orders of the Honourable Justice Morawetz dated May 18, 2012 granted in these proceedings; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system;

and, for greater certainty, this Court orders that all of the Claims affecting or relating to such Canadian Assets are hereby expunged and discharged as against such Canadian Assets.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Canadian Assets received by LightSquared Corp. shall stand in the place and stead of the Canadian Assets, and that from and after closing of the Transactions all Claims shall attach to the net proceeds from the sale of the Canadian Assets received by LightSquared Corp. with the same priority as they had with respect to the Canadian Assets immediately prior to the sale, as if the Canadian Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of any of the Chapter 11 Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the Chapter 11 Debtors;

the vesting of the Canadian Assets in Rincon pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Chapter 11 Debtors and shall not be void or voidable by creditors of any of the Chapter 11 Debtors, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS AND DECLARES** that the Transactions are exempt from the application of the *Bulk Sales Act* (Ontario).

9. **THIS COURT ORDERS AND DECLARES** that each of the Chapter 11 Debtors and Rincon have leave to reapply for a further Order of Orders of this Court as may be necessary to carry out the terms of the Transactions.

INFORMATION OFFICER'S REPORTS

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

SCHEDULE "A"

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C 36, AS AMENDED,
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STATES BANKRUPTCY COURT WITH RESPECT TO THE CHAPTER 11 DEBTORS

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
TORONTO

**RECOGNITION ORDER
(MARCH 20, 2013)**

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**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION

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TAB 2

ONTARIO
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DEBTORS")

AFFIDAVIT OF ELIZABETH CREARY
(Sworn March 11, 2013)

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

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

2. This Affidavit is filed in support of the Foreign Representative's motion for an order, *inter alia*, recognizing in Canada and giving full force and effect in all provinces and territories of Canada, pursuant to section 49 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C. 36, as amended (the "CCAA"), an order of the United States Bankruptcy Court for the Southern District of New York (the "U.S. Bankruptcy Court") made in the cases commenced by the Chapter 11 Debtors in the U.S. Bankruptcy Court under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the "Chapter 11 Cases") and approval of the Consignment Agreement (defined below) contemplated thereunder.

Corporate Overview

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

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

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

Background on Proceedings

6. On May 14, 2012, the Chapter 11 Debtors commenced the Chapter 11 Cases by each filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 in the U.S. Bankruptcy Court. Other than the Chapter 11 Cases and these proceedings, there are no other foreign proceedings in respect of the Chapter 11 Debtors.

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

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

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

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

11. On June 14, 2012, the Canadian Court recognized and enforced in Canada certain orders of the U.S. Bankruptcy Court made in the Chapter 11 Cases, including the “Final Order Authorizing LightSquared LP to Act as Foreign Representative Pursuant to 11 U.S.C. § 1505”.

12. On August 21, 2012, the Canadian Court recognized and enforced in Canada certain orders of the U.S. Bankruptcy Court made in the Chapter 11 Cases, including the “Order Granting LightSquared’s Motion for Order Approving Expedited Procedures for Sale, Transfer, and/or Abandonment of De Minimis Assets” (the “**De Minimis Order**”).

13. The De Minimis Order permitted the Chapter 11 Debtors to abandon de minimis assets with book value of (a) \$500,000 or less with no notice or hearing where maintaining such assets is more expensive than not doing so and it appears after reasonable investigation and consultation with certain interested parties that it is not possible to sell such assets for more than the likely expense of such sale, and (b) over \$500,000, but less than or equal to \$1 million, pursuant to certain notice procedures set forth in detail in the De Minimis Order.

14. On March 8, 2013, the Canadian Court recognized and enforced in Canada the following orders of the U.S. Bankruptcy Court made in the Chapter 11 Cases:

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

A copy of the March 8th order is attached to this my affidavit as **Exhibit “A”**.

Consignment Agreement

15. In the ordinary course of its businesses, the Chapter 11 Debtors have acquired various types of equipment to be used in the process of building out the 4G LTE network. Certain of this equipment, obtained in 2011, included highly specialized and technical base station equipment, cabinets and antennas, as well as core network switchers, switches and routers (collectively, the “**Consigned Property**”). Certain of the Consigned Property is owed by the Canadian entity LightSquared Corp.

16. Given the current postponement of the 4G LTE network build-out, the Consigned Property, which the Chapter 11 Debtors believe to have a market value of less than \$3 million in the aggregate, is not in use and is quickly becoming obsolete in the industry as technology changes and new and cheaper equipment is developed and marketed.

17. Even if the Chapter 11 Debtors continued the network build-out in the near term, the Consigned Property will either be too old or too incompatible with the Chapter 11 Debtors’ spectrum bands to justify the current cost to maintain and insure the equipment, estimated at \$8,000 per month. The Chapter 11 Debtors therefore determined that the Consigned Property should be liquidated as soon as practical in order to avoid incurring additional costs and to maximize the value to the estates.

18. Not being familiar with the secondary market for this type of property, the Chapter 11 Debtors concluded that the Consigned Property would be best and most efficiently liquidated by a secondary market player who has superior knowledge and access to the secondary market. After canvassing several potential firms, the Chapter 11 Debtors concluded that Rincon Technology, Inc. (“**Rincon**”) was the best alternative and LightSquared Network LLC and LightSquared Corp. (collectively, the “**Consignor**”) negotiated an exclusive consignment agreement with Rincon, subject to approval by the U.S. Bankruptcy Court and the Canadian Court (“**Consignment Agreement**”). The primary terms of the proposed Consignment Agreement are as follows:

- (a) Pricing. Rincon will have the right to determine the resale price for the Consigned Property, provided that Rincon will: (i) provide, at Consignor's option, a Guaranteed Minimum cash price to LightSquared Network LLC of \$570,000 and to LightSquared Corp. of \$250,000 for the Consigned Property; and (ii) obtain prior written approval from the Consignor before entering into any agreement that may cause the Guaranteed Minimum to fall below this amount.
- (b) Revenue Split. For all Consigned Property sold pursuant to the Consignment Agreement, Rincon will be entitled to 35% of the Net ReSales proceeds (as defined in the Consignment Agreement) and the Consignor will be entitled to 65% of the Net ReSales proceeds. The Net ReSale proceeds for Canadian assets will be paid directly to LightSquared Corp.
- (c) Title. The Consignor will retain title to the Consigned Property until Rincon purchases the Consigned Property for immediate resale to a third party purchaser.
- (d) Rincon Assumption of Costs and Expenses. From the Effective Date (as defined in the Consignment Agreement) to the date of any sale of Consigned Property, Rincon will store and maintain, at Rincon's expense and risk of loss, all such Consigned Property, including all costs related to: (i) field services (e.g., collection, identification, and physical inventory), freight, shipping and transportation charges of the Consigned Property in connection with a sale; and (ii) sales, marketing, operational and ongoing storage expenses, including any taxes.
- (e) Abandonment. Rincon will periodically provide the Consignor with a list of items included among the Consigned Property that are recommended for scrap disposal. Subject to certain notice requirements, the Consignor will either abandon such equipment for disposal by Rincon or bear the costs of freight, packaging, handling and storage for such equipment.

- (f) Term. The term of the Consignment Agreement will be twelve months. At the end of the term, the Consignor will have the following three options: (i) Consignor has the right to terminate the Consignment Agreement, sell any remaining equipment to Rincon and receive any remaining balances owed it under the Guaranteed Minimum; (ii) Consignor has the right to extend the term for an additional six months on the same terms and conditions; and (iii) Consignor has the right not to renew the Consignment Agreement, in which case the Consignment Agreement will expire on its terms and the Consignor will have the right to abandon or recover any remaining Consigned Property.
- (g) Indemnification. Rincon agrees to indemnify, defend, and hold harmless the Consignor from any claims, losses, or damages that result from Rincon's operations and management of Rincon's business. In addition, each party to the Consignment Agreement (each, an "**Indemnifying Party**") agrees to indemnify, defend, and hold the other party, and their respective officers, directors, employees, agents, and contractors, harmless from and against damages, losses, or liabilities (including reasonable attorneys' fees) incurred by any Indemnified Party arising from any third party claims (i) relating to any physical damage to property, or personal injury or death, caused by the gross negligence or willful misconduct of the Indemnifying Party, or (ii) related to the Indemnifying Party's failure to comply with any applicable federal, state, or local laws, statutes, regulations (including export and environmental laws and regulations), or government directives.

19. Having negotiated the terms of the Consignment Agreement, on March 5, 2013, the Chapter 11 Debtors filed with the U.S. Bankruptcy Court a motion returnable March 19, 2013 (the "**U.S. Motion**") seeking an "Order, Pursuant to 11 U.S.C. §§ 105(a), 363(b), and 363(f), (A) Approving and Authorizing LightSquared Network LLC and LightSquared Corp. To Enter into Consignment Agreement with Rincon Technology, Inc., (B) Authorizing Sale of Consigned Property, and (C) Authorizing LightSquared To Abandon Unsold Property (the "**Foreign Order**"). A copy of the U.S. Motion filed by

the Chapter 11 Debtors in the U.S. Bankruptcy Court in support of the Foreign Order is attached to this my affidavit at Exhibit "B".

20. Pursuant to the U.S. Motion, the Chapter 11 Debtors are seeking from the U.S. Bankruptcy Court:

- (a) Approval and authorization to enter into the Consignment Agreement;
- (b) Authorization to sell the Consigned Property free and clear of any liens, claims, encumbrances and other interests, with such liens, claims, encumbrances and other interests attaching to the proceeds of any sale with the same validity and priority that such liens, claims, encumbrances and other interests has against the Consigned Property;
- (c) Authorization to abandon unsold Consigned Property in accordance with the terms of the Consignment Agreement and the De Minimis Order; and
- (d) Authorization to transfer additional equipment to Rincon under the terms of the Consignment Agreement, in accordance with certain enumerated procedures, including: (i) filing a notice with the U.S. Bankruptcy Court and serving same on the service parties listing the requested additional equipment; and (ii) no objection being received within the seven days following, or if an objection is received, resolving same consensually or by order of the U.S. Bankruptcy Court.

21. Once entered by the U.S. Bankruptcy Court, a copy of the entered Foreign Order will be filed with the Canadian Court.

22. In addition to approval from the U.S. Bankruptcy Court, the Chapter 11 Debtors require the Canadian Court's approval to enter into the Consignment Agreement. The Foreign Representative is of the view that the Canadian Court should recognize the Foreign Order and approve the Consignment Agreement and the transactions contemplated thereunder, as it is appropriate and necessary for the protection of the Chapter 11 Debtors' property and the interest of their creditors for the following reasons:

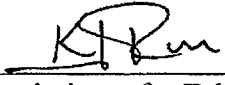
- (a) The Consignor no longer believes it has a viable use for the Consigned Property. The Consigned Property is highly specialized technical equipment that is depreciating rapidly. Even if the Chapter 11 Debtors continue their network build-out in the near term, the Consigned Property will either be too old or too incompatible with the Chapter 11 Debtors' spectrum bands;
- (b) The expenditures necessary to maintain, store and insure the Consigned Property are a drain on estate resources and cannot be justified in the circumstances;
- (c) Contracting with a professional equipment broker to liquidate the Consigned Property should maximize consideration to the estates for the Consigned Property by utilizing the broker's focused efforts, specialized knowledge and industry connections;
- (d) Rincon is a leader in the secondary telecommunications industry, having brokered over \$400 million in buy/sell transactions over the last decade. Rincon has extensive knowledge, expertise and experience in conducting sales in the secondary telecommunication assets market;
- (e) In comparison to other brokers, Rincon offered better terms and predicted better results for aggregate sales. The Consignor believes that they may realize net proceeds of between \$1 and \$2 million from the sale of the Consigned Property;
- (f) The Consignment Agreement was negotiated in an arms' length manner by the parties;
- (g) The terms of the Consignment Agreement are fair and reasonable under the circumstances and provide for appropriate allocation and payment in respect of the Canadian assets;

- (h) The combination of revenue splitting and assumption of costs by Rincon contemplated under the Consignment Agreement incentives Rincon to sell the Consigned Property at the highest and best price, but also in the most efficient manner possible;
- (i) Rincon is bearing all risk of loss and expense of the marketing and sale of the processes including storage, maintenance and insurance;
- (j) The transfer of liability and cost for the Consigned Property to Rincon improves the liquidity of the Chapter 11 Debtors;
- (k) Outsourcing the sale of the Consigned Property allows the Chapter 11 Debtors to focus their attention on more important operational and Chapter 11 issues; and
- (l) The secured creditors registered against the Canadian Chapter 11 Debtor entities are being given notice of the motion.

23. Pursuant to the foregoing reasons, the Foreign Representative is requesting that the Canadian Court (i) recognize in Canada and enforce the Foreign Order, pursuant to Section 49 of the CCAA, and (ii) approve the Consignment Agreement and the transactions contemplated thereunder.

24. I make this affidavit in support of the motion of the Foreign Representative returnable March 20, 2013 and for no other or improper purpose.

SWORN before me in the City of Ottawa
in the Province of Ontario this 11th day of
March, 2013

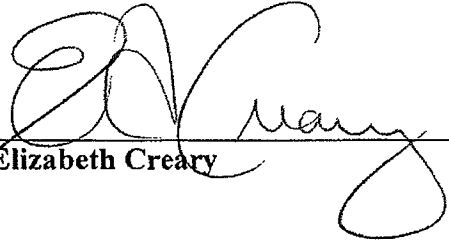


Commissioner for Taking Affidavits, etc.

Kelsey James Rose, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires April 6, 2014

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Elizabeth Creary

TAB A

Exhibit "A" to the Affidavit of Elizabeth Creary,
sworn before me this 11th day of March, 2013.

A handwritten signature in black ink, appearing to read "KJ Rose", is written over a horizontal line.

Commissioner for Taking Affidavits, etc.

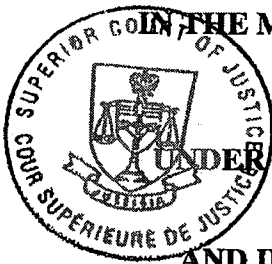
Kelsey James Rose, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law,
Expires April 6, 2014

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.
JUSTICE MORAWETZ

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FRIDAY, THE 8th DAY OF
MARCH, 2013



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

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

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

RECOGNITION ORDER

THIS MOTION, made by LightSquared LP in its capacity as the foreign representative (the "Foreign Representative") of the Chapter 11 Debtors, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") for an order substantially in the form attached as Schedule "A" to the notice of motion of the Foreign Representative dated March 1, 2013 (the "Notice of Motion"), recognizing certain orders granted by the United States Bankruptcy Court for the

Southern District of New York (the “**U.S. Bankruptcy Court**”) in the cases commenced by the Chapter 11 Debtors under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “**Chapter 11 Cases**”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the affidavit of Elizabeth Creary sworn March 1, 2013, the third report of Alvarez & Marsal Canada Inc., in its capacity as court-appointed information officer (the “**Information Officer**”) of the Chapter 11 Debtors, dated November 14, 2012 (the “**Third Report**”), the fourth report to court of the Information Officer dated February 15, 2013 (the “**Fourth Report**”) and the fifth report to court of the Information Officer dated March 5, 2013 (the “**Fifth Report**”), and on hearing the submissions of counsel for the Foreign Representative and counsel for the Information Officer, no one else appearing although duly served as appears from the affidavit of service of Stephanie Waugh sworn March 1, 2013, filed,

SERVICE

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

RECOGNITION OF FOREIGN ORDERS

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

- (a) 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;

- (b) Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection To Prepetition Secured Parties, And (C) Modifying Automatic Stay; and
- (c) Order, Pursuant To Section 105(a) Of Bankruptcy Code And Bankruptcy Rules 6006, 9014, And 9019, (A) Approving Settlement Agreement Regarding Sprint Claims Under Master Services Agreement And (B) Authorizing Any And All Actions Necessary To Consummate Settlement Agreement,

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

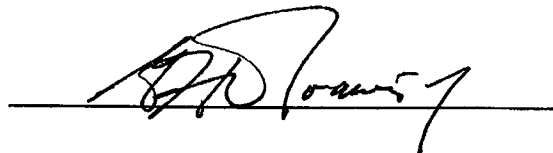
INFORMATION OFFICER'S REPORTS

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

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:



MAR 8 - 2013



SCHEDULE "A"

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:)	
	)	Chapter 11
LIGHTSQUARED INC., <i>et al.</i> ,)	
	)	Case No. 12-12080 (SCC)
Debtors. ¹)	
	)	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")² 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

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

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



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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. ¹)	
	)	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

¹

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

Order”), pursuant to 11 U.S.C. § 1121(d), further extending LightSquared’s Exclusive Periods² 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

² 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]³

³ 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.⁴

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

⁴ 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

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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. ⁷)	
	)	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")⁸ 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

⁷ 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.

⁸ 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.⁹ 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").

⁹ 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),¹⁰ (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

¹⁰ 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,¹¹ the “Prepetition LP Agent” and, together with the Prepetition LP Lenders, the “Prepetition LP Secured Parties”¹², 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

¹¹ 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.

¹² 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)).¹³

¹³ 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.¹⁴ 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

¹⁴ 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 period¹⁵ 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

¹⁵ 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.¹⁶

¹⁶ 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 Liens¹⁷ and the Inc. Carve-Out. The LP Adequate Protection Liens shall be junior only to the LP Permitted Liens¹⁸ 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

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).

¹⁷ 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.

¹⁸ 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.¹⁹ 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 (10th) 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

¹⁹ 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

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 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
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															
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GPS 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	1,882	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	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	9,628	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	-	-	-	-	-	-	-	-	-	-	-
Alcatel Lucent S-BTS	-	-	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 (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	Month	3Q13			4Q13		
		Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
	Beginning Cash Balance	63,972	52,091	39,628	28,291	16,239	3,685
	SOURCES						
	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	-	-	-	-	-	-
	Total Sources	2,365	3,841	1,333	2,293	3,984	1,280
Uses (OPEX)	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
	Subtotal - USES (OPEX)	6,800	5,008	5,424	6,163	8,667	5,067
Uses (CAPEX)	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	-	-	-	-	-	-
	Subtotal - USES (CAPEX)	100	4,050	-	-	625	-
Debt Service	Cash Interest	-	-	-	-	-	-
Restructuring Related	Restructuring Prof exclud W&C / Blackstone	1,096	996	996	1,932	996	996
	LP Adequate Protection Payments	6,250	6,250	6,250	6,250	6,250	6,250
Total Uses		14,246	16,304	12,670	14,346	16,538	12,313
Ending Cash Balance Cur Forecast		52,091	39,628	28,291	16,239	3,685	(7,348)
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

SCHEDULE "B"

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

In re:)	
	)	Chapter 11
LIGHTSQUARED INC., <i>et al.</i> ,)	
	)	Case No. 12-12080 (SCC)
)	
Debtors. ¹	)	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")² of LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, "LightSquared" or the "Debtors") in the above-captioned chapter 11 cases (the "Chapter 11 Cases"), seeking entry of an interim order and a final order, under sections 105, 361, 362, 363(c), and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the "Bankruptcy Code"), Rules 2002, 4001, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 4001-2 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the "Local Rules"), *inter alia*:

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

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

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



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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.³ 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").

³ 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. Obligor's 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. Obligor 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),⁴ (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

⁴ 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,⁵ the “Prepetition LP Agent” and, together with the Prepetition LP Lenders, the “Prepetition LP Secured Parties”⁶, 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

⁵ 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.

⁶ 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)).⁷

⁷ 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.⁸ 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

⁸ 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 period⁹ 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

⁹ 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.¹⁰

¹⁰ 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 Liens¹¹ and the Inc. Carve-Out. The LP Adequate Protection Liens shall be junior only to the LP Permitted Liens¹² 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

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).

¹¹ 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.

¹² 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.¹³ 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 (10th) 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

¹³ 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 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
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															
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GPS 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	1,882	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	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)	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-
Alcatel Lucent S-BTS	-	-	1,500	-	3,400	-	-	-	-	-	-	-	-	-	-
HNS	309	-	-	-	-	-	-	-	6,400	-	-	1,300	-	-	-
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 Month	3Q13			4Q13		
	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Beginning Cash Balance	63,972	52,091	39,628	28,291	16,239	3,685
SOURCES						
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	-	-	-	-	-	-
Total Sources	2,365	3,841	1,333	2,293	3,984	1,280
Uses (OPEX)						
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
Subtotal - USES (OPEX)	6,800	5,008	5,424	6,163	6,667	5,067
Uses (CAPEX)						
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	-	-	-	-	-	-
Subtotal - USES (CAPEX)	100	4,050	-	-	625	-
Debt Service						
Cash Interest	-	-	-	-	-	-
Restructuring Prof excld W&G / Blackstone	1,096	996	996	1,932	996	996
LP Adequate Protection Payments	6,250	6,250	6,250	6,250	6,250	6,250
Total Uses	14,246	16,304	12,670	14,346	16,538	12,313
Ending Cash Balance Cur Forecast	52,091	39,628	28,291	16,239	3,685	(7,348)
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

SCHEDULE "C"

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

In re:

LIGHTSQUARED INC., *et al.*,

Debtors.¹

)
) Chapter 11
)
) Case No. 12-12080 (SCC)
)
) 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"),² 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

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

² Capitalized terms used but not 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.



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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

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
TORONTO

**RECOGNITION ORDER
(MARCH 8, 2013)**

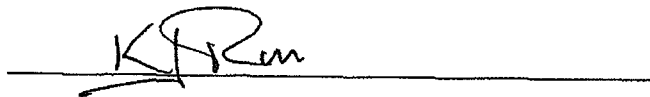
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R. Shayne Kukulowicz / Jane O. Dietrich
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Email: shayne.kukulowicz@fmc-law.com
jane.dietrich@fmc-law.com

Lawyers for the Chapter 11 Debtors.

TAB B

Exhibit "B" to the Affidavit of Elizabeth Creary,
sworn before me this 11th day of March, 2013.

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

Commissioner for Taking Affidavits, etc.

Kelsey James Rose, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires April 6, 2014

Hearing Date: March 19, 2013 at 10:00 a.m. (prevailing Eastern time)
Objection Deadline: March 12, 2013 at 4:00 p.m. (prevailing Eastern time)

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

Counsel to Debtors and Debtors in Possession

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

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

**NOTICE OF HEARING ON LIGHTSQUARED'S MOTION FOR ENTRY OF ORDER,
PURSUANT TO 11 U.S.C. §§ 105(a), 363(b), AND 363(f), (A) APPROVING AND
AUTHORIZING LIGHTSQUARED NETWORK LLC AND LIGHTSQUARED CORP.
TO ENTER INTO CONSIGNMENT AGREEMENT WITH RINCON TECHNOLOGY,
INC., (B) AUTHORIZING SALE OF CONSIGNED PROPERTY, AND
(C) AUTHORIZING LIGHTSQUARED TO ABANDON UNSOLD PROPERTY**

PLEASE TAKE NOTICE that LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, "LightSquared"), submit this motion (the "Motion") for entry of an order, (a) approving and authorizing LightSquared Network LLC and LightSquared Corp. (collectively, the "Consignor") to enter into the Consignment Agreement (as defined in the Motion) with Rincon Technology, Inc. ("Rincon"), (b) authorizing the Consignor

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



to sell the Consigned Property (as defined in the Motion) free and clear of any liens, claims, encumbrances, and other interests (with such liens, claims, encumbrances, and other interests attaching to the proceeds of any sale, as discussed in the Motion), and (iii) authorizing the Consignor to abandon unsold Consigned Property in accordance with the terms of the Consignment Agreement and the procedures set forth in the Motion.

PLEASE TAKE FURTHER NOTICE that a hearing (the “Hearing”) on the Motion will be held before the Honorable Shelley C. Chapman, Bankruptcy Judge of the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”), on **March 19, 2013 at 10:00 a.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 Rules for the Bankruptcy Court 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 & M^cCloy LLP, One Chase Manhattan Plaza, New York, NY 10005, 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 Harbinger Capital Partners LLC, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153, Attn: Debra A. Dandeneau, Esq. and Ronit Berkovich, Esq., (v) counsel to U.S. Bank National Association, as administrative agent under the Prepetition Inc. Credit Agreement and administrative agent under the Inc. DIP credit agreement, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036, Attn: Philip C. Dublin, Esq. and Kenneth A. Davis, Esq., (vi) 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., (vii) 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. and Scott Greissman, Esq., and (viii) Rincon Technology Inc., 105 West De La Guerra, Suite 105, Santa Barbara, CA 93101, Attn: M. Jason Kelly, President and CEO, so as to be actually received **no later than March 12, 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: March 5, 2013

Respectfully submitted,

/s/ Matthew S. Barr

Matthew S. Barr
Karen Gartenberg
Melanie A. McLaughlin
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One Chase Manhattan Plaza
New York, NY 10005-1413
(212) 530-5000

Counsel to Debtors and Debtors in Possession

Hearing Date: March 19, 2013 at 10:00 a.m. (prevailing Eastern time)
Objection Deadline: March 12, 2013 at 4:00 p.m. (prevailing Eastern time)

Matthew S. Barr
Karen Gartenberg
Melanie A. McLaughlin
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One Chase Manhattan Plaza
New York, NY 10005-1413
(212) 530-5000

Counsel to Debtors and Debtors in Possession

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

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

**LIGHTSQUARED'S MOTION FOR ENTRY OF ORDER, PURSUANT TO
11 U.S.C. §§ 105(a), 363(b), AND 363(f), (A) APPROVING AND AUTHORIZING
LIGHTSQUARED NETWORK LLC AND LIGHTSQUARED CORP. TO ENTER
INTO CONSIGNMENT AGREEMENT WITH RINCON TECHNOLOGY, INC.,
(B) AUTHORIZING SALE OF CONSIGNED PROPERTY, AND
(C) AUTHORIZING LIGHTSQUARED TO ABANDON UNSOLD PROPERTY**

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

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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 sections 105(a), 363(b), and 363(f) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the "Bankruptcy Code") and rules 2002, 6004, and 9013 of the Federal Rules of Bankruptcy Procedure (as amended, the "Bankruptcy Rules"), (a) approving and authorizing LightSquared Network LLC and LightSquared Corp. (collectively, the "Consignor") to enter into that certain consignment agreement (the "Consignment Agreement")¹, attached hereto as Exhibit A, between the Consignor and Rincon Technology, Inc. ("Rincon"), (b) authorizing the Consignor to sell the Consigned Property (as defined below) free and clear of any liens, claims, encumbrances, and other interests (with such liens, claims, encumbrances, and other interests attaching to the Consideration (as defined below) with the same validity and priority that such liens, claims, encumbrances, or interests had against the Consigned Property), and (c) authorizing the Consignor to abandon unsold Consigned Property in accordance with the terms of the Consignment Agreement and the De Minimis Abandonment Order (as defined below). In support of this Motion, LightSquared respectfully states as follows:

Jurisdiction

1. The 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 the Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in (a) the Consignment Agreement or (b) the Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay [Docket No. 544] (the "Cash Collateral Order"), as applicable.

3. The statutory bases for the relief requested herein are sections 105(a), 363(b), and 363(f) of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, and 9013, and Rule 6004-1 of the Local Bankruptcy Rules for the Southern District of New York (the “Local Rules”).

Background

4. On May 14, 2012 (the “Petition Date”), LightSquared filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

5. 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.

6. On August 14, 2012, the Court entered an order approving procedures for sale, transfer, and/or abandonment of de minimis assets [Docket No. 267] (the “De Minimis Abandonment Order”), which permitted, among other things, LightSquared, pursuant to section 554(a) of the Bankruptcy Code, to abandon de minimis assets with book value of (a) \$500,000 or less with no notice or hearing where maintaining such assets is more expensive than not doing so and it appears after reasonable investigation and consultation with the Prepetition Agents and ad hoc group of Prepetition LP Lenders that it is not possible to sell such assets for more than the likely expenses of such sale, and (b) \$500,000 but less than or equal to \$1 million pursuant to certain notice procedures set forth in detail in the De Minimis Abandonment Order.

Background to Motion

7. Consigned Property. In the ordinary course of its businesses, the Consignor has acquired various types of equipment to be used in the process of building out LightSquared’s 4G LTE network. Certain of this equipment, obtained in 2011, included highly

specialized and technical base station equipment, cabinets, and antennas, as well as core network switchers, switches, and routers (collectively, the “Consigned Property”).² Given the postponement of LightSquared’s network build-out, the Consigned Property – which LightSquared believes has a market value of less than approximately \$3 million in the aggregate – is not in use and is quickly becoming obsolete in the industry as technology changes and new and cheaper equipment is developed and marketed. For these reasons, LightSquared believes that the Consigned Property will likely never be useful in the Consignor’s ongoing business operations and can easily be replaced with new, cheaper, and better equipment at the appropriate time. Even if LightSquared were to continue its network build-out in the near term, the Consigned Property will either be too old or too incompatible with LightSquared’s spectrum bands to justify LightSquared’s current cost to maintain and insure this equipment. For example, although the Consigned Property is not in use, the Consignor continues to store, maintain, and insure this equipment at a cost to the estates of no less than \$8,000 each month.

8. In order to avoid incurring additional costs and to maximize the value of LightSquared’s estates, the Consignor has determined to liquidate the Consigned Property as soon as reasonably practicable. However, because time is of the essence in obtaining higher values, the Consignor is not in the best position to itself market and sell the Consigned Property due to the unique market for such assets. The Consignor has little knowledge about or access to this market, so any attempt to sell the Consigned Property itself would be difficult and time intensive and, importantly, would likely result in significantly lower prices than may be obtained by an entity with access to and familiarity with the secondary market players who are likely to purchase such equipment.

² The Consigned Property is listed on Exhibit 1 to the Consignment Agreement. The Consignor and Rincon may supplement Exhibit 1 after the filing of this Motion but prior to the hearing on the Motion. Accordingly, LightSquared will file a final version of Exhibit 1 prior to the hearing, if applicable.

9. Proposed Consignment Agreement. Therefore, in order to more effectively market and sell the Consigned Property in a way that would obtain the highest values for its estates, LightSquared seeks approval of and authorization to enter into the Consignment Agreement, which provides, among other things, the following:³

- (a) Pricing. Rincon will have the right to determine the resale price for the Consigned Property, provided, however, that Rincon will (i) provide, at Consignor's option, with a Guaranteed Minimum cash price (1) to LightSquared Network LLC of \$570,000 and (2) to LightSquared Corp. of \$250,000 for the Consigned Property and (ii) obtain prior written approval from the Consignor before entering into any agreement that may cause the Guaranteed Minimum to fall below this amount.
- (b) Revenue Split. For all Consigned Property sold pursuant to the Consignment Agreement, Rincon will be entitled to thirty-five percent (35%) of the Net ReSales proceeds (as defined in the Consignment Agreement), and the Consignor will be entitled to sixty-five percent (65%) of the Net ReSales proceeds (the Consignor's share, the "Consideration").
- (c) Title. The Consignor will retain title to the Consigned Property until Rincon purchases the Consigned Property for immediate resale to a third party purchaser.
- (d) Rincon Assumption of Costs and Expenses. From the Effective Date (as defined in the Consignment Agreement) to the date of any sale of Consigned Property, Rincon will store and maintain, at Rincon's expense and risk of loss, all such Consigned Property, including all costs related to (i) field services (e.g., collection, identification, and physical inventory), freight, shipping, and transportation charges of the Consigned Property in connection with a sale, and (ii) sales, marketing, operational, and ongoing storage expenses, including any taxes.
- (e) Abandonment. Rincon will periodically provide the Consignor with a list of items included among the Consigned Property that are recommended for scrap disposal. Subject to notice requirements set forth below, the Consignor will either abandon such equipment for disposal by Rincon or bear the costs of freight, packaging, handling, and storage for such equipment.

³ This summary of the Consignment Agreement is for summary purposes only and is qualified in its entirety by the terms and provisions of the Consignment Agreement.

- (f) Term. The term of the Consignment Agreement will be twelve (12) months. At the end of the term, the Consignor will have the following three options: (i) Consignor has the right to terminate the Consignment Agreement, sell any remaining equipment to Rincon, and receive any remaining balances owed it under the Guaranteed Minimum, (ii) Consignor has the right to extend the term for an additional six (6) months on the same terms and conditions, and (iii) Consignor has the right not to renew the Consignment Agreement, in which case the Consignment Agreement will expire on its terms and the Consignor will have the right to abandon or recover any remaining Consigned Property.
- (g) Indemnification. Rincon agrees to indemnify, defend, and hold harmless the Consignor from any claims, losses, or damages that result from Rincon's operations and management of Rincon's business. In addition, each party to the Consignment Agreement (each, an "Indemnifying Party") agrees to indemnify, defend, and hold the other party, and their respective officers, directors, employees, agents, and contractors (the "Indemnified Parties"), harmless from and against damages, losses, or liabilities (including reasonable attorneys' fees) incurred by any Indemnified Party arising from any third party claims (i) relating to any physical damage to property, or personal injury or death, caused by the gross negligence or willful misconduct of the Indemnifying Party, or (ii) related to the Indemnifying Party's failure to comply with any applicable federal, state, or local laws, statutes, regulations (including export and environmental laws and regulations), or government directives.

10. As described below, LightSquared believes that Rincon is uniquely qualified to sell the Consigned Property and the terms of the Consignment Agreement are reasonable under the circumstances and in the best interests of LightSquared's estates and stakeholders.

11. Specifically, Rincon is an equipment brokerage firm, founded in 2003, that specializes in the sale and resale of telecommunication assets. Since its founding, Rincon has established itself as a leader in the secondary telecommunications industry, having brokered over \$400 million in buy/sell transactions over the last decade. Rincon's experience in closing thousands of transactions has provided it with the information advantage and expertise necessary

to sell the Consigned Property in a timely and value-enhancing fashion. Although the Consignor communicated with several firms that specialize in brokering sales of telecommunication assets, Rincon provided better terms and predicted better results. Indeed, Rincon offered the Consignor a higher percentage of resale proceeds and Rincon's estimated total resale proceeds were higher than those of the other firms.

12. Pursuant to the Consignment Agreement, the Consignor seeks authorization to transfer the Consigned Property⁴ to Rincon for marketing and resale to third parties. Through Rincon's focused efforts, specialized knowledge, and industry connections, the Consignor believes that its estates may realize net proceeds of between \$1 million and \$2 million from the sales of the Consigned Property and, in the meantime, the Consignor will save the ongoing costs to its estates of storing, maintaining, and insuring such equipment. Indeed, the Consignor believes that combination of the Revenue Split and Rincon's assumption of all costs and expenses related to the Consigned Property pending its sale appropriately incentivizes Rincon to sell the Consigned Property at the highest and best price but also in the most efficient manner possible. Finally, given the rapidly depreciating value of such highly specialized and technical equipment, the Consignor believes that the potential recoveries to the estates under the Consignment Agreement are the best option available and in the best interest of its estates and creditors.

13. Additional Consigned Property. After entry of any Order, to the extent that the Consignor identifies any additional equipment it wishes to transfer to Rincon to market and sell pursuant to the Consignment Agreement (such equipment, the "Additional Consigned Property"), LightSquared proposes to:

⁴ Although the Consignor spent approximately \$16 million in the aggregate on its purchases of the Consigned Property in 2011, the Consignor has already written the value of such equipment completely off its books and records.

- (a) File a notice (each, a “Notice of Additional Consignment”) of the Consignor’s intent with the Court and serve such notice upon the parties (the “Notice Parties”) listed in the Notice section of the Motion.
- (b) Each Notice of Additional Consignment will list the Additional Consigned Property the Consignor seeks to transfer and sell pursuant to the Consignment Agreement.
- (c) If no written objection from any Notice Party is received by LightSquared within seven (7) days after the date of service of such Notice of Additional Consignment, the Consignor is authorized to transfer the Additional Consigned Property to Rincon for sale pursuant to the Consignment Agreement. This Additional Consigned Property will thereafter become Consigned Property (as defined in the Consignment Agreement).
- (d) If any Notice Party submits a written objection to any Notice of Consignment within seven (7) days after the date of service of such notice, then such Additional Consigned Property shall only be subject to the Consignment Agreement upon either consensual resolution of the objection by the parties in question or further order of the Court. If no resolution to the objection is reached, LightSquared shall schedule a hearing to consider the transfer of the Additional Consigned Property at the next scheduled omnibus hearing.

Relief Requested

14. By this Motion, LightSquared respectfully requests that the Court enter the Order (a) approving and authorizing the Consignor’s entry into the Consignment Agreement with Rincon, (b) authorizing the Consignor to sell the Consigned Property free and clear of any liens, claims, encumbrances, and other interests (with such liens, claims, encumbrances, and other interests attaching to the Consideration with the same validity and priority that such liens, claims, encumbrances, or interests had against the Consigned Property), and (c) authorizing the Consignor to abandon unsold Consigned Property in accordance with the terms of the Consignment Agreement and the De Minimis Abandonment Order.

Basis for Relief

A. Entry into Consignment Agreement for Sale of Consigned Property is Appropriate Under Section 363(b) of Bankruptcy Code

15. Section 363(b)(1) of the Bankruptcy Code states, in relevant part, that “[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate . . .” 11 U.S.C. § 363(b)(1). If a debtor’s proposed use of its assets pursuant to section 363(b)(1) represents a reasonable or sound business judgment on the part of the debtor, such use should be approved. See, e.g., In re Chateaugay Corp., 973 F.2d 141, 144-45 (2d Cir. 1992) (finding that section 363(b) was applicable because sound business judgment supported sale of assets); Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1070 (2d Cir. 1983) (holding that application of section 363(b) must be supported by “some articulated business justification”); In re Global Crossing Ltd., 295 B.R. 726, 743 (Bankr. S.D.N.Y. 2003) (citing Lionel Corp., 722 F.3d at 1071) (emphasizing business judgment standard).

16. Disposition of a debtor’s assets by a third party pursuant to an agreement like the Consignment Agreement is an accepted method for the sale of assets in chapter 11 cases. See, e.g., In re Pemco World Air Services, Inc., No. 12-10799 (MFW) (Bankr. D. Del. April 4, 2012) (authorizing debtors’ entry into consignment agreement to conduct sales of obsolete inventory); In re Polaroid Corp., No. 08-46617 (GFK) (Bankr. D. Minn. Feb. 14, 2012) (authorizing debtors’ entry into consignment agreement to conduct auctions and private sales of debtors’ photographs); In re Borders Group, Inc., No. 11-10614 (MG) (Bankr. S.D.N.Y. July 21, 2011) (authorizing debtors’ entry into agency agreement to conduct full-scale liquidation of stores); In re Goody’s LLC, No. 09-10124 (CSS) (Bankr. D. Del. Jan. 21, 2009) (authorizing debtors’ assumption of prepetition agency agreement and to conduct full-scale liquidation

through store closing sales at outset of case); In re Musicland Holding Corp., 06-10064 (SMB) (Bankr. S.D.N.Y. Jan. 27, 2006) (approving debtors' assumption of agency agreement to conduct "going out of business" sales).

17. The Consignor's prompt transfer and sale of the Consigned Property is warranted by sufficient business justifications and is in the best interests of the Consignor, its estate, and its stakeholders for two significant reasons. First, the Consignor no longer believes it has a viable use for the Consigned Property and is simply expending unnecessary estate resources (\$8,000 per month at a minimum) to maintain, store, and insure such equipment. Secondly, the value of the Consigned Property is depreciating rapidly, and even if LightSquared continues its network build-out in the near term, the Consigned Property will either be too old or too incompatible with LightSquared's spectrum bands to justify LightSquared's current cost to maintain and insure this equipment.

18. Engaging Rincon to facilitate the sale of the Consigned Property pursuant to the Consignment Agreement will provide several benefits to the Consignor, its estates and stakeholders. First, allowing a professional equipment broker, such as Rincon, to liquidate the Consigned Property will enable the Consignor to maximize the Consideration it receives under the Consignment Agreement. Indeed, Rincon has extensive knowledge, expertise, and experience in conducting sales in the secondary telecommunication assets market and, in comparison to other consignment brokers, Rincon provided the Consignor with the best comparative recovery for the aggregate sales under the Consignment Agreement. Second, Rincon has agreed to bear all the risk of loss and all expenses of the marketing and sale processes, including the storage, maintenance, and insurance costs related to the Consigned Property pending the sales. This transfer of liability with respect to the Consigned Property will

improve the Consignor's liquidity while also allowing its employees to focus on more pressing operational and chapter 11-related issues. Finally, the terms of the Consignment Agreement were negotiated at arm's length and the Consignor believes that those terms, as described above, are fair and reasonable and will provide the best recovery to its estates and stakeholders.

Therefore, the Consignor's decision to retain Rincon to sell the Consigned Property is an exercise of its sound business judgment.

19. For the foregoing reasons, LightSquared believes that the Consignment Agreement is in its best interests of its estates. LightSquared respectfully requests that the Court approve and authorize the Consignor's entry into the agreement and authorize the Consignor to transfer and sell the Consigned Property pursuant to section 363(b)(1) of the Bankruptcy Code.

**B. Sale of Consigned Property is Appropriate
Under Section 363(f) of Bankruptcy Code**

20. The Consignor requests approval to sell the assets subject to the Consignment Agreement on a final "as is" basis, free and clear of any and all liens, claims, encumbrances, and other interests in accordance with section 363(f) of the Bankruptcy Code. A debtor in possession may sell property under sections 363(b) and 363(f) "free and clear of any interest in such property of an entity other than the estate" if any one of the following conditions is satisfied: (a) applicable nonbankruptcy law permits such a "free and clear" sale; (b) the holder of the interest consents; (c) the interest is a lien and the sale price of the property exceeds the value of all liens on the property; (d) the interest is in bona fide dispute; or (e) the holder of the interest could be compelled in a legal or equitable proceeding to accept a monetary satisfaction of its interest. 11 U.S.C. § 363(f); see also Citicorp Homeowners Servs., Inc. v. Elliot (In re Elliot), 94 B.R. 343, 345 (E.D. Pa. 1988) (noting that since section 363(f) is written in disjunctive, court may approve a sale free and clear if any one subsection is met).

21. With respect to any party asserting a lien, claim, or encumbrance against the Consigned Property,⁵ the Consignor anticipates that it will be able to satisfy one or more of the conditions set forth in section 363(f). Specifically, in connection with the sale of the Consigned Property pursuant to the terms of the Consignment Agreement, LightSquared proposes that any liens, claims, encumbrances, and other interests, including those of the Prepetition LP Secured Parties, to the extent applicable, should be transferred and attach to the Consideration received by the Consignor, with the same validity and priority that such liens, claims, encumbrances, or interests had against the Consigned Property.

**C. Abandonment of Certain Consigned Property
is Appropriate Under De Minimis Abandonment Order**

22. Pursuant to the Consignment Agreement, the Consignor may abandon certain Consigned Property in two circumstances. First, under paragraph 8 of the Consignment Agreement, Rincon will periodically recommend certain Consigned Property for scrap disposal, and the Consignor may either abandon and authorize Rincon to dispose of such items or, alternatively, bear the costs of their transportation and maintenance. Similarly, pursuant to paragraph 10 of the Consignment Agreement, thirty (30) days prior to the expiration of the Consignment Agreement, the Consignor will either abandon the remaining unsold items or incur the costs of Rincon returning such items to the Consignor.

23. As discussed above, the items included among the Consigned Property have little or no value to the Consignor, but the costs involved in maintaining such equipment continually drain estate resources. Although the Consignor will retain the right to elect to have such items returned to it, to the extent the Consignor elects to abandon any Consigned Property

⁵ LightSquared believes its Prepetition LP Secured Parties (as defined in the Cash Collateral Order) are the only parties that have any a lien, claim, or encumbrance against the Consigned Property.

under the Consignment Agreement, the Consignor proposes to abandon such items in accordance with the procedures set forth in the De Minimis Abandonment Order, which terms and conditions LightSquared incorporates herein in their entirety.

D. Waiver of Stay Under Bankruptcy Rule 6004(h) is Appropriate Under Circumstances

24. Pursuant to Bankruptcy Rule 6004(h), unless a court orders otherwise, all orders authorizing the sale of property pursuant to section 363 of the Bankruptcy Code are automatically stayed for 14 days after entry of the order. Fed. R. Bankr. P. 6004(h). The purpose of Bankruptcy Rule 6004(h) is to provide sufficient time for an objecting party to appeal before the order is implemented. See Fed. R. Bankr. P. 6004(h) advisory committee's note.

25. In order to maximize value from the sale of the Consigned Property contemplated by the Consignment Agreement, LightSquared requests that any order approving the Motion be effective immediately by providing that the fourteen (14)-day stay under Bankruptcy Rule 6004(h) is waived. As discussed above, Rincon requires the ability to commence marketing, and potentially selling, the Consigned Property immediately. Given the rapid depreciation of the assets, the Consignor and its estates face severe prejudice each day that Rincon is not able to sell the Consigned Property as such equipment is not in use, will never be used, and costs vital estate resources to store, maintain, and insure.

Notice

26. Notice of this Motion will 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 ad hoc secured group of Prepetition LP Lenders, (e) Harbinger Capital Partners LLC, (f) the Internal

Revenue Service, (g) the United States Attorney for the Southern District of New York, (h) the Federal Communications Commission, (i) Industry Canada, (j) Rincon, and (k) all parties who have filed a notice of appearance in the Chapter 11 Cases. LightSquared respectfully submits that no other or further notice is required or necessary.

Motion Practice

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

No Previous Request

28. Other than with respect to LightSquared's motion seeking entry of the De Minimis Abandonment Order, 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: March 5, 2013

/s/ Matthew S. Barr
Matthew S. Barr
Karen Gartenberg
Melanie A. McLaughlin
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

Consignment Agreement



WHEREFORE, LightSquared Network LLC, a Delaware limited liability company, and LightSquared Corp., a corporation organized and existing under the laws of Nova Scotia, Canada, as debtors and debtors in possession under title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the "Bankruptcy Code") (collectively, "Consignor"), owner of certain property more particularly described hereinafter ("Consigned Property"), and Rincon Technology, Inc., ("Consignee"), in exchange for good and sufficient consideration and the mutual promises and undertakings set forth in this Agreement ("Agreement") do hereby agree to the following:

1. **Ownership of Consigned Property.** Consignor warrants, covenants and agrees that, collectively, the Consigned Property is owned by Consignor and that, subject to any approval of the Bankruptcy Court (as defined below), the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court") and/or any third party that may be applicable, Consignor has rights of sale or transfer of the Consigned Property. The parties agree that title to any Consigned Property shall remain with Consignor until the Consigned Property is purchased for resale ("ReSale") by Consignee.
2. **Description of Consigned Property.**
 - a. Consignor agrees to deliver and sell to Consignee and Consignee agrees to accept and purchase for the purpose of Resale on the terms and conditions hereinafter recited in this Agreement, the Consigned Property described in Exhibit 1 of this Agreement. Consignor states and agrees that the description(s) of the Consigned Property is true and correct to the best of Consignor's knowledge and belief and further, that no undisclosed defects, without any independent investigation by Consignor, are known to Consignor. By no later than March 18, 2013, Consignor and Consignee will jointly conduct and complete a physical inventory of the Consigned Property located at Consignor's facilities described in Section 2(b) below. After the parties complete the physical inventory of the Consigned Property, if necessary, the parties agree to attach a modified Exhibit 1 as of March 18, 2013 in order to provide an accurate description of the Consigned Property that is subject to this Agreement. In addition, Consignee agrees to notify Consignor in accord with Section 17 "Notices" regarding any movement of the Consigned Property from one physical location to another.
 - b. As determined and agreed to in writing beforehand by Consignor, and in accordance with the terms of this Agreement, on Consignor's behalf, Consignee will take physical possession of the Consigned Property located at Consignor's warehouse at 6675 Amberton Drive, Suite 1, Elkridge, Maryland 21075 ("Consignor's U.S. Warehouse") and Consignor's office location at 1601 Telesat Court, Ottawa, Ontario, Canada K1B 1B9. Until title to the Consigned Property is transferred to Consignee in accordance with Section 11 below, Consignee must store and maintain, at Consignee's expense and risk of loss in accordance with Sections 6 and 12, the United States based Consigned Property in the State of Maryland or the Commonwealth of Virginia and the Canadian based Consigned Property in the Province of Ontario. The Consignee must store and maintain the Consigned Property under at least the same duty of care it stores its own property.
3. **Exclusivity of this Agreement.** Consignee shall have the exclusive right to market and re-sell the Consigned Property described in Exhibit 1 of this Agreement.



4. Term of this Agreement. Commencing on the date that both parties sign this Agreement (the "Effective Date"), the term of this Agreement shall be for the period of twelve (12) months ("Term"). At the end of the Term, Consignor has the following rights under this Agreement and shall select one of the three:

a. **Call in Remaining Balance:** Consignor has the right to not renew the Agreement and elect to receive any remaining balances owed it under the Guaranteed Minimum below. For example by illustration, if the cumulative return (i.e., LightSquared's Consideration as defined in Section 6(c) below) up to that point has been \$700,000, then Consignor would receive a payment of \$120,000, so that it has received in cumulative the Guaranteed Minimum outlined in Section 5 below. If Consignor elects this option, and there is unsold Consigned Property remaining with Consignee, then title to such Consigned Property shall transfer to Consignee as provided in Section 11 below, and all proceeds from the Resale of the unsold Consigned Property going forward shall then go to Consignee as the effective owner.

b. **Renew Agreement:** Consignor has the right to extend the Term for an additional six (6) months on the same terms and conditions set forth in this Agreement.

c. **Terminate Agreement:** The Consignor has the right to not renew the Agreement and the Agreement shall expire in accordance with Section 10 below.

5. Pricing. Consignor grants the right to Consignee to determine the ReSale price for Consigned Property; provided, however, that, Consignee agrees to (i) provide an aggregate minimum of Consideration (as defined in Section 6(c) below) (a) to LightSquared Network LLC in the amount of \$570,000 and (b) to LightSquared Corp. in the amount of \$250,000 ((a) and (b) collectively, the "Guaranteed Minimum"), and (ii) obtain prior written approval from Consignor before entering into any agreement that may cause the Guaranteed Minimum to fall below the amount as stated in this Section 5.

6. Proceeds; Revenue Split; Liability for Costs and Expenses.

a. **Gross ReSale proceeds:** The total revenue generated from all Consigned Property sold by Consignee to a third-party in any month during the term of this Agreement is the "Gross ReSale proceeds" for such month.

b. **Net ReSale proceeds:** Any pre-arranged refurbishment and repair of the Consigned Property agreed to beforehand in writing by the parties to this Agreement shall be deducted from the Gross ReSale proceeds to compute the "Net ReSales proceeds."

c. **Revenue Split.** Consignor and Consignee agree that sixty-five percent (65%) of the Net ReSales proceeds shall be the consideration for the sales transaction to be paid by Consignee to Consignor ("Consideration") and such Consideration is due and payable subject to the payment terms in Section 7 of this Agreement and thirty-five percent (35%) of the Net ReSales proceeds shall be retained by Consignee.

d. **Liability for Costs and Expenses.** Consignee will bear all the costs of field services (e.g., collection, identification and physical inventory of the Consigned Property), freight, shipping and transportation charges for the Consigned Property and such charges are the sole liability and responsibility of Consignee. Consignee will also bear the sales, marketing, operational



and ongoing storage expenses, including, (i) property taxes or other taxes, including customs taxes or duties or other charges imposed on the Consigned Property or the act of storage or shipment of the Consigned Property as provided in Section 19 below, and (ii) the cost of tax compliance for the Consigned Property located at Consignee's warehouse facilities. Consignee shall provide Consignor real time access via Consignee's Consignment Web Portal to a listing of all ReSales made of the Consigned Property, including the dates of such sales, the actual Resale price of each individual item sold and the amount due to Consignor. Consignee will provide an executive summary to Consignor of its performance hereunder within fifteen (15) business days after the close of each month during the term of this Agreement.

7. Payment(s) to Consignor. Consignor agrees that Consignee may receive payment for the ReSale of the Consigned Property prior to the Consignee's obligation to pay the Consideration to Consignor. For purposes of this Agreement, Consideration will be considered timely paid if Consignor receives its Consideration (i.e., sixty-five percent (65%) of the Net ReSales proceeds) within thirty (30) days from the date of Consignee's invoice to third party purchaser in any month in which Consignee sells any Consigned Property. Consignee must (i) ship all Consigned Property for all valid purchase orders received from third parties within 48 hours after receipt of such purchase orders for the Consigned Property, and (ii) invoice the third party purchaser within 48 hours after shipping the Consigned Property. If Consignee fails to pay Consignor the Consideration within thirty (30) days after invoicing the third party purchaser such Consideration shall be past due and subject to interest at a compounded rate of 1.5% per month or the highest rate permitted by applicable law, whichever is lower. Notwithstanding anything to the contrary in this Agreement, Consignor and Consignee agree that any Taxes (as defined in Section 19 below) on the ReSale of the Consigned Property, if any, are in addition to the Gross ReSale proceeds and such Taxes are the exclusive financial and administrative responsibility of Consignee to collect, remit or otherwise administer. Payment for ReSales in the United States must be payable to LightSquaerd Network LLC and payments for ReSales in Canada must be payable to LightSquared Corp. If mailed, payments to either LightSquared Network LLC or LightSquared Corp. shall be delivered to: 10802 Parkridge Blvd., Reston, Virginia 20191, Attention: Accounts Receivable.

8. Scrap of Consigned Property. Within thirty (30) days after receipt of the Consigned Property from Consignor, the Consignee shall perform a physical review of the Consigned Property. The Consignee will provide the Consignor with a written list of items that are recommended for scrap disposal. Should the Consignor wish to retain any items that have been marked as scrap then it will immediately inform the Consignee and make timely arrangements for and bear the cost of any freight, packaging, handling and storage of such Consigned Property. On an on-going basis, throughout the term of this Agreement, the Consignee may present the Consignor with additional written lists of items that are identified as scrap. Subject to any Bankruptcy Court notice requirements and/or approvals, the Consignor agrees to either (i) abandon and authorize Consignee to dispose of any such Consigned Property within ten (10) business days after receipt of such lists, or (ii) make timely arrangements for and bear the reasonable cost of any freight, packaging, handling and storage of such Consigned Property.

9. Operation of Consignee's Business. Consignee shall have the exclusive right to



determine the business operation and management of its business. Consignor shall have no liability or responsibility for the operation and management of Consignee's business, employees or agents or any torts or other causes of action resulting therefrom, and Consignee agrees to indemnify, defend and hold harmless Consignor from any claims, losses or damages that result from Consignee's operations and management of Consignee's business.

10. Termination of this Agreement For Convenience; Expiration of Agreement.

(a) Consignor may terminate this Agreement at any time and for convenience but such termination will not affect Consigned Property already sold by Consignee in accordance with this Agreement. Consignor shall provide Consignee written notice (see section 17 of this Agreement for notice) of such termination. Subject to Section 8 above, any unsold Consigned Property shall be packaged and returned by Consignee to Consignor within thirty (30) calendar days after Consignor provides written notice to Consignee regarding Consignor's election to terminate this Agreement in accordance with this Section 10(a). If this Agreement is terminated by Consignor in accordance with this Section within the first twelve (12) months following the Effective Date the reasonable expense of delivery, including any freight, packaging, handling and shipping cost of any unsold Consigned Property returned to Consignor shall be paid by the Consignor. If this Agreement is terminated for convenience by Consignor after the first anniversary of the Effective Date, the reasonable expense of delivery, including any freight, packaging, handling and shipping cost of any unsold Consigned Property returned to Consignor shall be paid by Consignee.

(b) Within thirty (30) days prior to the expiration or termination of this Agreement and subject to any Bankruptcy Court notice requirements and/or approvals, Consignor shall either (i) abandon and authorize Consignee to dispose of any unsold Consigned Property, or (ii) require Consignee to package and return to Consignor, at Consignee's cost, any unsold Consigned Property within thirty (30) calendar days after Consignor provides written notice to Consignee.

11. Title. Title of Consigned Property remains with Consignor until the Consignee purchases the Consigned Property for ReSale.

12. Risk of Loss; Facility Space.

(a) Notwithstanding any provision of this Agreement to the contrary, Consignee will bear risk of loss (or damage) for the Consigned Property upon the earliest of (i) the delivery of the Consigned Property to Consignee or Consignee's designated carrier, (ii) Consignee taking legal possession, as tenant, of the Consignor's U.S. Warehouse location space where a portion of the Consigned Property is stored, or (iii) thirty (30) days after the Effective Date.

(b) Within ten (10) days after the Effective Date, Consignee must demonstrate in writing that Consignee has suitable warehouse space to properly secure and store the Consigned Property.

13. Indemnification. In addition to the indemnity provision set forth in Section 9 of this Agreement, each party agrees (an "Indemnifying Party") to indemnify, defend and hold the other party, and their respective officers, directors, employees, agents and contractors (the "Indemnified Parties"), harmless from and against damages, losses, or liabilities (including reasonable attorneys' fees) (collectively, "Losses") incurred by any Indemnified Party arising from any third party claims (i) relating to any physical damage to property, or personal injury



or death, caused by the gross negligence or willful misconduct of the Indemnifying Party, or (ii) related to the Indemnifying Party's failure to comply with any applicable federal, state or local laws, statutes, regulations (including export and environmental laws and regulations), or government directives.

14. Limitation of Liability and No Warranty (Consigned Property). Except for (i) damages with respect to Losses that are the subject of indemnification in accordance with Sections 9, 13, and 19, (ii) damages or recovery caused by a party's gross negligence or willful misconduct, and (iii) any material breach of Section 15 (Confidentiality) neither party shall be liable to the other party for any indirect, incidental, special, consequential or punitive damages, even if advised of such possibility, that result in any way from performance or non-performance of any obligation relating to this Agreement or the Consigned Property. NOTWITHSTANDING ANYTHING TO THE CONTARY IN THIS AGREEMENT, THE SALE OF THE CONSIGNED PROPERTY BY THE CONSIGNOR IS MADE ON A STRICTLY "AS IS", "WHERE IS" BASIS. CONSIGNOR MAKES NO WARRANTIES OF ANY KIND, STATUTORY, EXPRESS OR IMPLIED, TO CONSIGNEE OR TO ANY OTHER PURCHASER OF THE CONSIGNED PROPERTY. CONSIGNOR SPECIFICALLY MAKES NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANABILITY OR FITNESS FOR A PARTICULAR PURPOSE. CONSIGNEE WAIVES ALL OTHER WARRANTIES, GUARANTEES, CONDITIONS OR LIABILITIES, EXPRESS OR IMPLIED, ARISING BY LAW OR OTHERWISE. CONSIGNEE'S SOLE AND EXCLUSIVE REMEDY RELATING TO THE CONSIGNED PROPERTY IS THE REMEDY, IF ANY, AFFORDED BY THE MANUFACTURER OF THE CONSIGNED PROPERTY TO CONSIGNEE OR CONSIGNEE'S CUSTOMERS.

15. Confidentiality.

a. The parties agree that the terms and conditions of this Agreement and all documents referenced herein shall be deemed "Confidential Information," as well as all information pertaining to a party's finances or personnel, all regardless of the form (whether written, oral or electronic) in which it is disclosed, provided such information is designated with the words "Confidential Information" or words of similar import at the time of disclosure, and if such disclosure is oral, such disclosure is identified as confidential at the time of disclosure. Neither party may disclose the other party's Confidential Information to any third party without the prior written consent of the other, except as provided in the following Section 15(b). Notwithstanding any provision to the contrary in this Agreement, the parties acknowledge that this Agreement will be filed with the Bankruptcy Court, the Canadian Court and served on parties in interest in Consignor's chapter 11 case and their Canadian recognition proceedings.

b. The confidentiality obligations under this Agreement shall not extend to Confidential Information that: (i) was in the public domain at the time of disclosure hereunder or becomes part of the public domain after disclosure hereunder without a breach of this Agreement or any obligation of confidentiality of the receiving party or any third party; (ii) was known to the receiving party at the time of its disclosure hereunder; (iii) is lawfully received by the receiving party from another source free of restriction and without breach of any confidentiality restrictions; (iv) is independently developed by the receiving party; (v) is disclosed by the disclosing party to a third party without restrictions similar to the restrictions contained herein; or (vi) is disclosed by the receiving party pursuant to judicial order, a



requirement of a governmental agency, by operation of law after giving reasonable notice to the other party with adequate time for the other party to seek a protective order; (vii) if in the opinion of counsel for such party, disclosure is advisable under any applicable securities laws regarding public disclosure of business information; or (viii) is approved for release by the disclosing party's prior, written consent. Furthermore, either party may, without the other party's prior consent, disclose the Confidential Information to its employees, agents and/or independent contractors and to its parent, subsidiary and/or affiliated companies, in each instance only as required for carrying out the purposes of this Agreement, and in each instance the receiving party that is making such disclosure shall cause those to whom the information is disclosed to comply with the terms of this Section 15. Confidential Information shall, if in tangible form, be returned on written request by the disclosing party. In all events the receiving party may keep a single copy of all Confidential Information, as an archive record of the contents thereof, to be accessed solely in the event of a dispute between the parties concerning such contents.

c. The parties agree that the breach of any of the obligations under this Section 15 may cause or threaten irreparable harm to the disclosing party, and accordingly the parties agree that in the event of such breach, the disclosing party shall be entitled to seek equitable relief, including but not limited to preliminary and permanent injunctive relief, against the receiving party and any breaching employee, agent, independent contractor, parent, subsidiary and/or affiliated company of the receiving party, as well as all legal remedies available.

16. Proprietary Rights. This Agreement does not transfer from either party to the other party any intellectual property right and all right, title and interest in and to all intellectual property of either party shall remain solely with that party.

17. Notices. All written notices required or permitted to be given by this Agreement may be delivered by hand, deposited with an overnight courier, transmitted by confirmed facsimile, or mailed by registered or certified mail, return receipt requested, postage prepaid, in each case to the address of the receiving party as listed below or at such other address as may hereafter be furnished in writing by either party to the other party. Such notice shall be deemed to have been given as of the date it is delivered by courier, deposited into the mail, or faxed. Notices shall be addressed as follows:

If to Consignor:

LightSquared Network LLC/LightSquared Corp.

10802 Parkridge Boulevard

Reston, VA 20191

Attention: General Counsel

with a copy to:

LightSquared LP

10802 Parkridge Boulevard

Reston, VA 20191

Attention: Director, Contracts



with a copy to:

Milbank, Tweed, Hadley & McCloy LLP
1 Chase Manhattan Plaza
New York, New York 10005
Attention: Matthew S. Barr

If to Consignee:

Rincon Technology, Inc.
105 West De La Guerra, Suite 105
Santa Barbara, CA 93101
Attn: M Jason Kelly, President & CEO
Email: Jkelly@rincontechology.com
Facsimile: (805) 684-8102

18. Insurance.

a. At its sole cost and expense, during the term of this Agreement, Consignee must maintain in full force and effect the following insurance coverage: (i) **Commercial General Liability insurance** with limits of no less than \$1 million per occurrence and \$2 million annual aggregate for claims due to bodily injury (including death) or property damage (the Commercial General Liability policy should include coverage for premises and operations, products and completed operations, broad form property damage and blanket contractual liability), (ii) **Workers' Compensation insurance** in compliance with all statutory requirements, (iii) **Employer's Liability insurance** with limits of at least \$500,000 for each occurrence (iv) **Business automobile insurance** with limits of at least \$1 million each accident (except as otherwise be required by law) for bodily injury and property damage, extending to all owned, hired, and non-owned vehicles, (v) **Professional Liability insurance** with limits of no less than \$1 million per claim and \$2 million as an annual aggregate, and (vi) **Umbrella Liability insurance** with limits of no less than \$10 million and provide such additional coverage for all risks and obligations of Consignee as described in this Agreement. In addition, during the term of this Agreement, Consignee must maintain coverage for damage to the Consigned Property, while in the Consignee's care, custody and control, on an "all risk" basis for loss or damage to the Consigned Property, including theft, in such amounts equal to the full replacement cost.

b. Consignor shall be named as an additional insured on all such policies with the exception of Workers Compensation. Consignee shall provide Consignor with a certificate of insurance evidencing all such required coverage within fifteen (15) days after the Effective Date. The Consignee shall provide (i) 30 days prior written notice of cancellation or any material change in any such policy to Consignor's Risk & Insurance Department and (ii) a renewal certificate 15 days prior to the renewal of any such policy. All insurance provided under this



Section 18 must be primary and non-contributory to any insurance coverage carried and maintained by Consignor, and must be with an insurance carrier having an A.M. Best rating of at least A-VII. Any of the above insurance can be covered by a combination of the liability policy and the excess umbrella liability policy. Insurance required in this Section 18 shall in no way reduce or limit Consignee's actual obligation to indemnify and defend Consignor for claims, suits or allegations brought as a result of, or as related to the performance of this Agreement.

19. Taxes. Consignee must pay to Consignor all applicable transaction based taxes, fees or charges ("Taxes") imposed upon the Consignee's purchase of the Consigned Property, excluding any Taxes for which Consignee provides valid tax exemption certificates to Consignor. In addition, Consignee must pay any applicable inventory Tax, personal property Taxes, customs tax or duties or other charges on Consigned Property or the storage or shipment of such Consigned Property. Consignee must indemnify, defend and hold the Consignor harmless from any non-payment or non-compliance of applicable Taxes as provided in this Section 19. The Consignor and Consignee must fully cooperate with each other for swift resolution of tax indemnification claims brought against Consignor as provided in this Section 19.

20. Export Controls. Consignee acknowledges that any products, software, and technical information (including, but not limited to, services and training) provided under this Agreement may be subject to export control laws and regulations including the International Traffic in Arms Regulations (Title 22, CFR Parts 120-130), the Export Administration Regulations (Title 15, CFR 730-774), and any other government regulation applicable to the export/import, re-export, or disclosure of such controlled technical data. Consignee agrees that, except as allowed under applicable U.S. Government authorizations, Consignee shall not disclose or transfer U.S. export controlled technical data to any non-United States national firm or person.

21. Breach/Remedies. If either party materially breaches this Agreement, and said breach is not cured within ten (10) calendar days' written notice of the breach from the other party, then the injured party may, immediately upon written notice of default, terminate this Agreement.

22. Assignment. This Agreement is not assignable and may not be modified other than by a written modification agreed to and signed by both parties.

23. Advertising. Consignee shall not use Consignor's name or other identifying information in the advertising, promotion and Resale of the Consigned Property.

24. Miscellaneous.

a. Construction; Governing Law. This Agreement shall be construed and governed in accordance with the Bankruptcy Code (to the extent applicable) and the laws of the Commonwealth of Virginia, United States of America, notwithstanding any conflict of law rules that would apply the laws of another jurisdiction. Notwithstanding the foregoing, as long as the Consignor is a debtor in a chapter 11 case filed on May 14, 2012 in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") which is being jointly administered under Case No. 12-12080 (SCC), the Parties hereto irrevocably and unconditionally submit to the exclusive jurisdiction of the Bankruptcy Court in connection with any suit, action or proceeding arising out of or relating to this Agreement.



b. Waiver. The parties agree that instances or patterns of waiver, forbearance, course of dealing or trade usage shall not affect the right of a party to demand performance of any term or condition of this Agreement.

c. Authority. Each of the parties hereto represent and warrant that they have the right, power, legal capacity and authority to enter into and perform their respective obligations under this Agreement. LightSquared's obligations under this Agreement are subject to Bankruptcy Court and Canadian Court approval.

d. Headings. The captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provision of this Agreement.

e. Exhibit. Exhibit 1 annexed hereto is a material part of this Agreement.

f. Counterparts. This Agreement may be executed in duplicate counterparts, each of which shall be deemed an original.

g. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties, and supersedes all offers, negotiations and other agreements concerning the subject matter contained herein. Any amendments to this Agreement must be in writing and executed by both parties.

h. No Waiver. No waiver under this Agreement shall be valid or binding unless set forth in writing and duly executed by the party against whom enforcement of such waiver is sought. The failure of either party to insist upon or enforce strict performance by the other party of any provision of this Agreement or to exercise any right under this Agreement shall not be construed as a waiver or relinquishment to any extent of such party's right to assert or rely upon any such provision or right in that or any other instance; rather, the same shall be and remain in full force and effect.

i. Construction; Severability. In the event that any provision of this Agreement conflicts with the law under which this Agreement is to be construed or if any such provision is held invalid by a court with jurisdiction over the parties to this Agreement, (i) such provision shall be deemed to be restated to reflect as nearly as possible the original intentions of the parties in accordance with applicable law, and (ii) the remaining terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect.

j. Compliance with Laws. The parties will comply in all material respects with all applicable federal, state and local laws, statutes, rules and regulations in connection with all matters provided for in this Agreement, including each party's performance of its obligations and exercise of its rights under this Agreement.

SIGNATURES ON FOLLOWING PAGE



AGREED AND EXECUTED this the _____ day of March, 2013.

On behalf of Consignor
LightSquared Network LLC,
as debtor and debtor in possession

On behalf of Consignee
Rincon Technology, Inc.

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Address:
LightSquared Network LLC
10802 Parkridge Boulevard
Reston, VA 20191
Tel : (703) 390-2700
Fax : (703) 390-6113

Address:
Rincon Technology, Inc
105 West De La Guerra
Santa Barbara, CA 93101
Tel: + 1 805-684-8100
Fax: + 1 805-684-8102

On behalf of Consignor
LightSquared Corp.,
as debtor and debtor in possession

By: _____

Title: _____

Date: _____

Address:
LightSquared Corp.
1601 Telesat Court
Ottawa, Ontario
Canada K1B 1B9

EXHIBIT 1 to Consignment Agreement

ALU			
Can	MD	Part Number	Description
		4 3HE05867AA	7450ESS-7 SLOT CHASSIS BUNDLE
		4 3HE04166AA	REDUNDANT SWITCH FABRIC
		8 3HE03620AA	IOM-INPUT/OUTPUT MODULE
		4 3HE03615AA	20 PORT 1G MDA
		12 3HE03687AA	2 PORT 10G MDA
		80 3HE00028CA	SFP
		24 3HE00564CA	XFP
		4 3HE05029AB	7210 SAS-M -48V DC SYSTEMS WITH 24 GE (SFP)
		4 3HE04415AA	DC -48V POWER SUPPLY
JUNIPER			
Can	MD	Part Number	Description
	2	DPCE-R-40GE-SFP	JNP:DPCE-R40GE-SFP
2	3	FFANTRAY-MX240-HC-BB	JUI:FFANTRAY-MX240-HC-BB
	3	FFANTRAY-MX480-HC-BB	FFANTRAY-MX480-HC-BB
	1	FFANTRAY-MX960-HC-BB	JUI:FFANTRAY-MX960-HC-BB
	1	FFILTER-MX960-HC-BB	JUI:FFILTER-MX960-HC-BB
2	2	MIC-3D-20GE-SFP	20x10/100/1000 MIC for MX, requires optics sold separately
4	2	MIC-3D-4XGEXFP	4x10G MIC for MX, requires optics sold separately
	5	MPC-3D-16XGE-SFPP-R-B	JUI:MPC-3D-16XGE-SFPP-R-B
2	3	MX240 -PREMIUM-DC	MX240 -PREMIUM-DC
	3	MX480 -PREMIUM-DC	MX480 -PREMIUM-DC
	1	MX960 -PREMIUM-DC	JUI: MX960 -PREMIUM-DC
4	2	MX-MPC2-3D	MX-MPC2-3D
4	6	PWR-MX480-2400-DC-BB	PWR-MX480-2400-DC-BB
	1	PWR-MX960-4100-DC-BB	JUI:PWR-MX960-4100-DC-BB
30	2	SFP-1GE-FE-E-T	SFP capable of support 10/100/1000 speeds
14	11	SFP-1GE-SX	Small Form Factor Pluggable 1000Base-SX Gigabit Ethernet Optic Module
	1	SFP-1GE-T	SFP-1GE-T
	5	SFPP-10GE-SR	SFPP-10GE-SR

4	2	SRX1K-NPC-SPC-1-10-40	Network and Services Processing Card for SRX1x00, Single Processor, 1Ghz, 4GB Memory/CPU
8	2	SRX-SFP-10GE-SR	Small Form Factor Pluggable 10 Gigabit Ethernet (SFP+) SR Optics
4	2	SRX1400BASE-XGE-AC	SRX 1400 Chassis, Midplane, Fan, RE, XGE-SYSIO, AC PEM
	5	SRX5800BASE-DC	SRX5800 chassis, includes RE, 2xSCB, 2 DC power supplies
CISCO			
Can	MD	Part Number	Description
	1	ASR5K-0110G-MM-K9 or ASR5K-0110G-SM-K9	1 port 10 GigE Linecards
1	1	ASR5000-CHS-SYS-K9	ASR-5000 Multimedia Core Platform Complete Chassis
2	1	ASR5K-SMC-K9	System Management Card 4GB
2	1	ASR5K-SPIO-3PN-K9	Switch Processor I/O, 3-Pin BITS
2	1	ASR5K-RCC-K9	Redundancy Crossbar
2	1	ASR5K-PFU=	ASR5000 Power Filter Unit, Non-Redundant, Single 165A
2	0	ASR5K-041GE-SX-K9	QGLC 4-Port Ethernet 1000 Line Card w/SX MM Short Haul SFP
4	2	ASR5K-PSC-32G-K9	Packet Services Card (PSC2) 32GB
1	1	ASR5K-ACCY-LUG=	ASR-5000 Chassis Lug Accessory Kit

NSN

MD

94	LS10NM3353	BBU 4 hrs with 2.0M 170AH OD Fan power cabinet_eNB Model C (0-250 units)
6	LS10NM3363	BBU 4 hrs with 2.0M 190AH OD Fan power cabinet_eNB Model C (0-250 units)
	FlexiBTS_3x1_2x2MIMO_5 MHz_20W_TypeA_SP_V01_	Flexi Base Station 3 Sectors, 5MHz 2X2 MIMO 20W, L band support, FSMEin cabinet, 2 RF Modules mounted together and 3 sectors collocated, 30 users. eNB configured for a maximum FSME and RF

18	FlexiBTS_3x1_2x2MIMO_5 MHz_20W_TypeC_SP_V01_001	Flexi Base Station 3 Sectors, 5MHz 2X2 MIMO 20W, L band support, FSMEin cabinet and 2 RF Modules mounted together at Tower base, 3 collocated sector, 30 users. eNB configured for a maximum FSME and RF Module separation of 200m
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Exhibit B

Proposed Order

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

In re:

LIGHTSQUARED INC., *et al.*,

Debtors.¹

)
) Chapter 11
)
) Case No. 12-12080 (SCC)
)
) Jointly Administered
)

**ORDER, PURSUANT TO 11 U.S.C. §§ 105(a), 363(b), AND 363(f), (A) APPROVING AND
AUTHORIZING LIGHTSQUARED NETWORK LLC AND LIGHTSQUARED CORP.
TO ENTER INTO CONSIGNMENT AGREEMENT WITH RINCON TECHNOLOGY,
INC., (B) AUTHORIZING SALE OF CONSIGNED PROPERTY, AND
(C) AUTHORIZING LIGHTSQUARED TO ABANDON UNSOLD PROPERTY**

Upon the motion, dated March 5, 2013 (the “Motion”),² 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 sections 105(a), 363(b), and 363(f) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”) and rules 2002, 6004, and 9013 of the Federal Rules of Bankruptcy Procedure (as amended, the “Bankruptcy Rules”), (a) approving and authorizing LightSquared Network LLC and LightSquared Corp. (collectively, the “Consignor”) to enter into the Consignment Agreement, a copy of which is attached to the Motion as Exhibit A, with Rincon Technology, Inc. (“Rincon”), (b) authorizing the Consignor to sell the Consigned

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

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion or the Consignment Agreement, as applicable.

Property free and clear of any liens, claims, encumbrances, and other interests (with such liens, claims, encumbrances, and other interests attaching to the Consideration with the same validity and priority that such liens, claims, encumbrances, or interests had against the Consigned Property), and (c) authorizing the Consignor to abandon unsold Consigned Property in accordance with the terms of the Consignment Agreement and the De Minimis Abandonment Order, all as more fully set forth in the Motion; and the Court having considered the Motion and determined that the relief requested in the Motion 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 the Court having determined that time is of the essence in effectuating the Consignment Agreement and proceeding with the sales contemplated therein without interruption; 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. The Consignment Agreement is approved in its entirety.

3. The Consignor is authorized to enter into the Consignment Agreement and to perform as required by the Consignment Agreement as and when due thereunder without further order of this Court.

4. The Consigned Property sold in connection with the Consignment Agreement shall be sold free and clear of liens, claims, encumbrances, and other interests, and any such liens, claims, encumbrances, and other interests shall be transferred and attach to the Consideration, with the same validity and priority that such liens, claims, encumbrances, or interests had against the Consigned Property.

5. After entry of this Order, if the Consignor seeks to transfer and sell Additional Consigned Property pursuant to the Consignment Agreement, LightSquared must follow the following procedures:

- (a) File a notice (each, a “Notice of Additional Consignment”) of this intent with the Court and serve such notice upon the parties (the “Notice Parties”) listed in the Notice section of the Motion.
- (b) Each Notice of Additional Consignment will list the Additional Consigned Property the Consignor seeks to transfer and sell pursuant to the Consignment Agreement.
- (c) If no written objection from any Notice Party is received by LightSquared within seven (7) days after the date of service of such Notice of Additional Consignment, the Consignor is authorized to transfer the Additional Consigned Property to Rincon for sale pursuant to the Consignment Agreement. This Additional Consigned Property shall thereafter become Consigned Property (as defined in the Consignment Agreement).
- (d) If any Notice Party submits a written objection to any Notice of Consignment within seven (7) days after the date of service of such notice, then such Additional Consigned Property shall only be subject to the Consignment Agreement upon either consensual resolution of the objection by the parties in question or further order of the Court. If no resolution to the objection is reached, LightSquared shall schedule a hearing to consider the transfer of the Additional Consigned Property at the next scheduled omnibus hearing.

6. The Consignor is permitted to abandon property of the Consignor's estates in accordance with the terms and provisions of the Consignment Agreement and the De Minimis Abandonment Order [Docket No. 267].

7. This Order and the terms and provisions of the Consignment Agreement shall be binding on all of LightSquared's creditors and stakeholders (whether known or unknown), LightSquared, Rincon, and their respective affiliates, successors and assigns, and any affected third parties, including, but not limited to, all persons asserting an interest in the Consigned Property, notwithstanding any subsequent appointment of any trustee, party, entity, or other fiduciary under any section of the Bankruptcy Code with respect to the forgoing parties, and as to such trustee, party, entity, or other fiduciary, such terms and provisions likewise shall be binding.

8. The provisions of this Order and the terms and provisions of the Consignment Agreement, and any actions taken pursuant hereto or thereto, shall survive the entry of any order which may be entered confirming or consummating any plan of LightSquared.

9. The Consignment Agreement and any related documents may be modified, amended, or supplemented by the parties thereto in accordance with the terms thereof without further order of this Court; provided that any such modification, amendment, or supplement is not material and adverse to LightSquared and; provided further, that at least three business days prior notice of any such modification, amendment, or supplement shall be filed with the Court and served on the Notice Parties.

10. Notwithstanding Bankruptcy Rule 6004, or any other law that would serve to stay or limit the immediate effect of this Order, this Order shall be effective and enforceable immediately upon entry. In the absence of any person or entity obtaining a stay pending appeal,

the Consignor and Rincon are free to perform under the Consignment Agreement upon entry of this Order, subject to the terms of the Consignment Agreement.

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

12. 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

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

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT
TORONTO

**AFFIDAVIT OF ELIZABETH
CREARY**
(Sworn March 11, 2013)

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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*,
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STATES BANKRUPTCY COURT WITH RESPECT TO THE CHAPTER 11 DEBTORS

**ONTARIO
SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT
TORONTO

**MOTION RECORD
(Returnable March 20, 2013)**

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