

**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")**

**SUPPLEMENTAL AFFIDAVIT OF JARVIS H. HÉTU
(sworn June 14th, 2012)**

I, Jarvis H. Héту, of the city of Toronto in the Province of Ontario, MAKE
OATH AND SAY that:

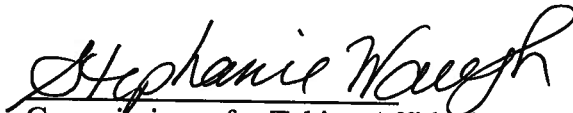
1. I am an associate with Fraser Milner Casgrain LLP, lawyers for LightSquared LP (the "**Foreign Representative**") and the other Chapter 11 Debtors. I swear this supplemental affidavit in support of the Foreign Representative's motion (the "**June 14 Motion**") for recognition by this Court of the Foreign Orders that have been entered by the U.S. Bankruptcy Court and pursuant to Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36.

2. Defined terms not otherwise defined herein shall have the meanings given to such terms in the affidavit of Elizabeth Creary sworn on June 7, 2012 (the “**Creary Affidavit**”) in support of the June 14 Motion.

3. On June 13, 2012, the U.S. Bankruptcy Court in the Chapter 11 Cases entered the Agreed Final Order (A) Authorizing Debtors to Use Cash Collateral, (B) Granting Adequate Protection Prepetition Secured Parties, and (C) Modifying Automatic Stay (the “**Cash Collateral Order**”). A copy of the Cash Collateral Order as entered by the U.S. Bankruptcy Court is attached hereto as Exhibit “**A**” and a copy of the entered Cash Collateral Order, as blacklined to the version included as part of the motion record dated June 7, 2012 and filed with this Court as Exhibit “**A**” to Exhibit “**F**” to the Creary Affidavit, is attached hereto as Exhibit “**B**”.

4. I make this affidavit in support of the June 14 Motion and for no other or improper purpose.

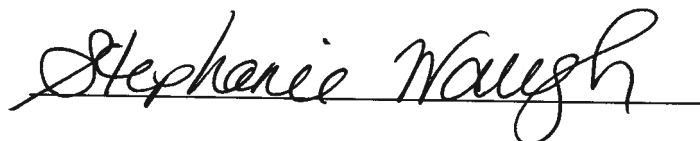
SWORN BEFORE ME at the City of Toronto,
in the Province of Ontario, this 14th day of June,
2012.


Commissioner for Taking Affidavits

Stephanie Waugh,
a Commissioner, etc., City of Toronto,
for Fraser Milner Casgrain LLP,
Barristers and Solicitors.
Expires March 13, 2013.


JARVIS H. HETU

Exhibit "A" to the Affidavit of Jarvis H. Hétu,
sworn before me this 14th day of June, 2012.

A handwritten signature in black ink, reading "Stephanie Waugh", written over a horizontal line.

Commissioner for Taking Affidavits

**Stephanie Waugh,
a Commissioner, etc., City of Toronto,
for Fraser Milner Casgrain LLP,
Barristers and Solicitors.
Expires March 13, 2013.**

**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
)

**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 (the “Interim Order”) and a final order (the “Final Order” and, together with the Interim Order, the “Cash Collateral Orders”), under sections 105, 361, 362, 363(c), and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”), Rules 2002, 4001, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 4001-2 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the “Local Rules”), *inter alia*:

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 450 Park Avenue, Suite 2201, New York, NY 10022.

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

- (a) authorizing the use of Cash Collateral (within the meaning of section 363(a) of the Bankruptcy Code) of the Prepetition Secured Parties (as defined herein) and providing adequate protection to the Prepetition Secured Parties for any diminution in value of their interests in the Prepetition Collateral, pursuant to sections 361, 362, and 363 of the Bankruptcy Code;
- (b) vacating and modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of this Final Order, as limited pursuant hereto;
- (c) scheduling, pursuant to Bankruptcy Rule 4001, an interim hearing (the “Interim Hearing”) to consider the relief requested in the Motion on an interim basis; and
- (d) scheduling, pursuant to Bankruptcy Rule 4001, a final hearing (the “Final Hearing”) to consider the relief requested in the Motion on a final basis.

The Court having considered the Motion, the Declaration of Marc R. Montagner, Chief Financial Officer and Interim Co-Chief Operating Officer of LightSquared Inc., (A) in Support of First Day Pleadings and (B) Pursuant to Rule 1007-2 of Local Bankruptcy Rules for United States Bankruptcy Court for Southern District of New York, the exhibits and schedules attached thereto and the evidence submitted at the Final Hearing; and notice of the Final Hearing having been given in accordance with Bankruptcy Rules 4001(b) and (d) and 9014; and the Final Hearing to consider the relief requested in the Motion having been held and concluded; and all objections, if any, to the relief requested in the Motion having been withdrawn, resolved, or overruled by the Court; and it appearing to the Court that granting the relief requested 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. Subject to paragraph 12 of this 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”).

(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),³ (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 Final Order to the contrary, the Prepetition Inc. Agent and the Prepetition Inc. Lenders have asserted that interest on the Prepetition Inc. Obligations is accruing at the default rate of 17% (as opposed to the non-default contract rate of 15%) as of April 30, 2012 and will increase to 20% on June 29, 2012. The Debtors dispute that there was a prepetition default under the Prepetition Inc. Credit Facility. The Debtors and the Prepetition Inc. Agent have agreed that pending entry of an order of this Court approving postpetition financing for the Inc. Obligors, in form and substance acceptable to the Prepetition Inc. Agent and the Prepetition Inc. Lenders, on or before June 30, 2012 (the “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 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

³ Although the One Dot Four Lease was terminated, the Prepetition Inc. Agent retains a first priority security interest in any remaining collateral.

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

⁴ 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.

⁵ The Prepetition LP Agent, together with the Prepetition Inc. Agent, are the “Prepetition Agents” and, together with the Prepetition Lenders, the “Prepetition Secured Parties.”

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 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)).⁶

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

⁶ 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)).

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),⁷ 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 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 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 Final Order, capital expenditure line

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

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

⁹ Or such shorter period commencing on the date of entry of the Final Order.

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 over the entire twelve (12)-month period.

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

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

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

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

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

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

IT IS HEREBY ORDERED that:

1. Motion Granted. The Motion is granted to the extent set forth in this Final Order 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 Final Order.

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

Authorization To Use Cash Collateral

3. Use of Cash Collateral. Subject to the terms and conditions of this 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 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 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

(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

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 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.

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 Final Order.

6. Section 507(b) Claims.

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

(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 Final Order.

7. Adequate Protection Payments. As used in this 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 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 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 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 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

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.

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 such amounts to the amounts projected in the Budget and (y) an update of the Budget through June 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 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 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 Final Order, "Carve-Outs" shall mean the Inc. Carve-Out and the LP Carve-Out.

(a) Inc. Carve-Out. As used in this 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 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 Final Order shall be construed as a consent to the allowance of any professional fees or expenses of any Chapter 11 Case Professionals or shall affect the rights of the Prepetition Agents and/or the Prepetition Lenders to object to the allowance and payment of such fees and expenses.

11. [Reserved]

12. Investigation Period.

(a) The Inc. Adequate Protection Liens, the Inc. Section 507(b) Claim, and the Prepetition Inc. Liens shall be senior to, and no Prepetition Inc. Collateral may be used to pay, any claims for services rendered by any of the professionals retained by the Debtors (or any successor trustee or other estate representative in the Chapter 11 Cases or any Successor Cases), the Committee, or any other party in connection with the assertion of, or joinder in, any claim, counterclaim, action, proceeding, application, motion, investigation, objection, defense, or other contested matter against the Prepetition Inc. Agent or the Prepetition Inc. Lenders in connection

with invalidating, setting aside, avoiding, subordinating, recharacterizing, objecting to, or challenging, in whole or in part, any claims or liens arising under or with respect to the Prepetition Inc. Credit Facility, the Prepetition Inc. Obligations, the Prepetition Inc. Liens, or the Prepetition Inc. Collateral; provided, however, that up to \$50,000 of Cash Collateral of the Prepetition Inc. Agent (which does not include any unencumbered cash) may be used to pay the allowed fees and expenses of counsel retained by the Committee (if appointed) incurred directly in connection with investigating, but not preparing, initiating, or prosecuting, any Claims and Defenses (as defined herein) against the Prepetition Inc. Agent or Prepetition Inc. Lenders with regard to the Prepetition Inc. Credit Facility or the Prepetition Inc. Liens. In the event the liens, security interests, or claims of the Prepetition Inc. Agent or the Prepetition Inc. Lenders are voided, avoided, disallowed, or subordinated, then any lien or priority granted to the Prepetition Inc. Agent hereunder in respect of such voided, avoided, disallowed, or subordinated lien, security interest, or claim may be voided, avoided, disallowed, or subordinated to the same extent, and no provision hereof shall preclude or impair the Court from imposing any appropriate remedy in such event.

(b) The LP Adequate Protection Liens, the LP Section 507(b) Claim, and the Prepetition LP Liens shall be senior to, and no Prepetition LP Collateral (including any Cash Collateral of the Prepetition LP Lenders or otherwise) may be used to pay, any claims for services rendered by any of the professionals retained by the Debtors (or any successor trustee or other estate representative in the Chapter 11 Cases or any Successor Cases), the Committee, or any other party in connection with the assertion of, or joinder in, any claim, counterclaim, action, proceeding, application, motion, investigation, objection, defense, or other contested matter against the Prepetition LP Agent or the Prepetition LP Lenders in connection with invalidating,

setting aside, avoiding, subordinating, recharacterizing, objecting to, or challenging, in whole or in part, any claims or liens arising under or with respect to the Prepetition LP Credit Facility, the Prepetition LP Obligations, the Prepetition LP Liens, or the Prepetition LP Collateral; provided, however, that up to \$50,000 of Cash Collateral of the Prepetition LP Agent (which does not include any unencumbered cash) may be used to pay the allowed fees and expenses of counsel retained by the Committee (if appointed) incurred directly in connection with investigating, but not preparing, initiating, or prosecuting, any Claims and Defenses (as defined herein) against the Prepetition LP Agent or Prepetition LP Lenders with regard to the Prepetition LP Credit Facility or the Prepetition LP Liens. In the event the liens, security interests, or claims of the Prepetition LP Agent or the Prepetition LP Lenders are voided, avoided, disallowed, or subordinated, then any lien or priority granted to the Prepetition LP Agent hereunder in respect of such voided, avoided, disallowed, or subordinated lien, security interest, or claim may be voided, avoided, disallowed, or subordinated to the same extent, and no provision hereof shall preclude or impair the Court from imposing any appropriate remedy in such event.

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

Prepetition Inc. Liens granted to, or any other Claims and Defenses against, affiliates of the Debtors or any successor holder that acquired Prepetition Inc. Obligations after the Petition Date (“Affiliate Challenges”), shall be the earlier of (i) sixty days after the occurrence of an LP Termination Event and (ii) ten months from the date hereof; 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 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 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 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 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 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 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 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 Final Order in any material respect, it being understood that non-compliance with the Permitted Variance shall constitute material non-compliance with this Final Order;

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

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

15. Withdrawal of Consent To Use Prepetition Inc. Collateral. The consent of the Prepetition Inc. Agent and the Prepetition Inc. Lenders under this 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 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 Final Order or the DIP Order and subject to the reservation of rights set forth in paragraph 4 of this 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 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 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 Final Order, shall be charged against or recovered from the Prepetition LP Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law or in equity, without the prior written consent of Prepetition LP Agent, and no such consent shall be implied from any other action or inaction by the Prepetition LP Agent or the Prepetition LP Lenders.

18. Equities of the Case. Effective upon entry of this Final Order and in light of the subordination of their liens to the respective Carve-Outs, the Prepetition Secured Parties shall be entitled to all benefits of Bankruptcy Code section 552(b), and the “equities of the case” exception under Bankruptcy Code section 552(b) shall 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 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 Final Order.

21. Reservation of Rights of Prepetition Secured Parties. Notwithstanding any other provision hereof, the grant to and acceptance by the Prepetition Secured Parties of adequate protection pursuant hereto shall in no way be construed as an acknowledgment by the Prepetition Secured Parties that they are in fact adequately protected, and is without prejudice to the right of the Prepetition Secured Parties to seek modification of the grant of adequate protection provided hereby so as to provide different or additional adequate protection at any time, or to terminate use of Cash Collateral at any time; provided, however, that all rights of any party in interest to object to such modification of the grant of adequate protection provided hereby or to seek to use Cash Collateral on a non-consensual basis are fully preserved. Except as expressly provided herein, nothing contained in this 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 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 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 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 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 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 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 Final Order. Immediately upon execution by this Court, the terms and provisions of this 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 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 Final Order. This 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 Final Order according to its terms.

Dated: June 13, 2012
New York, New York

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

Schedule 1

Budget

LightSquared LP Standalone

LightSquared - Standalone Monthly Cash Forecast - June 2012
Cash Scenario: Consensual Cash Collateral Agreement

Quarter		1Q12			2Q12			3Q12			4Q12			1Q13		
Month		Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
Beginning Cash Balance		261,101	245,074	259,644	264,394	199,848	195,392	185,752	172,593	155,543	140,592	128,315	113,825	97,172	84,694	68,970
Sources																
Uses (OPEX)	Satellite Revenue	2,458	2,259	2,651	3,670	2,534	2,784	3,706	2,661	2,854	3,798	2,595	2,711	2,397	2,440	2,585
	Terrestrial Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Interest Income	29	37	38	21	20	20	26	25	24	23	22	20	19	23	21
	Equity Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Debt Financing	(5,000)	-	(6,000)	-	-	-	-	-	-	-	-	-	-	-	-
	Dividend or Loan from LP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Financing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other	-	1,157	1,809	139	-	-	-	-	-	-	-	-	-	-	-
	Total Sources	(2,513)	3,452	(1,507)	3,830	2,554	2,808	5,732	2,686	2,877	3,821	2,616	2,731	2,416	2,463	2,606
Uses (CAPEX)	In-Orbit Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ISAT Coop Agmt	-	-	-	862	-	-	-	-	-	-	-	-	-	-	-
	1.6 GHz Lease & Related Payments	-	-	-	54,250	-	-	-	-	-	-	-	-	-	-	-
	1.4 GHz Lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	L-Band network Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	QSS / BSS	2	3	253	239	25	2	70	35	35	35	35	35	35	35	35
	ERP	73	98	25	-	-	-	-	-	-	-	-	-	-	-	-
	Partner Enablement	59	28	199	45	54	-	204	45	204	125	125	284	45	45	204
	GPS Marketing, TWG Related, Technology Spectrum Management	1,252	931	126	386	-	-	-	-	-	-	-	-	-	-	-
	Staffing Related (entire company)	4,349	8,826	20,303	2,789	2,676	4,942	2,191	2,171	5,294	2,156	2,087	2,141	2,328	5,223	2,278
Uses (CAPEX)	Legal / Regulatory / Lobbying / Internam	3,055	1,645	8,558	5,988	911	1,176	1,882	1,637	1,234	2,099	1,226	1,184	1,141	1,193	1,193
	Continuity for Legal/Regul/Lobbying/ Int	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Facilities/Telecom	499	527	538	513	145	1,127	686	686	686	896	896	686	696	696	696
	G&A	653	494	965	562	494	(1,821)	363	396	339	475	440	419	294	443	5,760
	Funds from Inc to pay LP expenses (in Ch.11)	-	-	-	-	(2,000)	2,000	-	-	-	-	-	-	-	-	-
	Travel Expenses (entire company)	139	99	246	67	148	195	128	123	123	123	123	123	115	115	115
	Other Items	1,534	1,232	2,159	1,226	1,462	2,362	1,376	2,128	1,546	1,477	1,581	941	1,355	1,275	1,431
	Subtotal - USES (OPEX)	11,653	14,814	33,402	68,946	4,111	10,166	7,104	8,275	9,682	7,390	9,628	5,981	6,165	10,184	11,871
Uses (CAPEX)	Boeing Payments	-	-	(206)	14	125	-	-	-	-	-	-	-	-	-	-
	Launch Services	-	(34,806)	-	-	-	-	-	-	-	-	-	-	-	-	-
	Qualcomm	-	406	-	40	760	-	380	-	-	-	-	-	-	-	-
	Alcatel Lucent S-BTS	541	8,446	-	-	-	1,500	-	3,400	-	-	-	5,400	-	-	1,300
	HNS	-	-	-	309	-	-	-	-	-	-	-	-	-	-	-
	Sprint	-	-	(65,000)	(2,333)	-	-	-	-	-	-	-	-	-	-	-
	1.6 GHz related (other than spectrum)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Current Network Maintenance/Capex	122	23	-	-	-	-	250	-	250	-	-	-	625	-	-
	RAIN (NSN)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Core	416	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Restructuring Related	Lab / NOC / System Integration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	BandRich	781	-	125	-	-	756	-	-	-	-	-	-	-	-	-
	AnyData	-	-	250	-	-	-	-	-	-	-	-	-	-	-	-
	Subtotal - USES (CAPEX)	1,360	(25,932)	(64,831)	(1,970)	885	2,256	630	3,400	250	-	-	-	625	-	1,300
	Cash Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Restructuring Prof excl W&C / Blackstone	-	-	150	1,400	2,014	22	2,906	1,812	1,686	2,439	728	759	1,853	753	753
	LP Adequate Protection Payments	-	-	-	-	-	-	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250
	Total Uses	13,513	(11,118)	(6,257)	68,376	7,010	12,444	16,890	19,737	17,828	16,098	17,106	19,384	14,893	17,187	20,174
	Ending Cash Balance Cur Forecast	245,074	259,644	264,394	199,848	195,392	185,752	172,593	155,543	140,592	128,315	113,825	97,172	84,694	68,970	52,402

LightSquared Proprietary and Confidential

[illegible]

Schedule 2

Two-Year LightSquared Inc. Cashflow

LightSquared Inc. Consolidated

LightSquared Inc. Consolidated Rolling Monthly Cash Forecast - June 12, 2012 (\$'k)
Cash Scenario: Consensual Cash Collateral Agreement

Quarter Month	1Q12			2Q12			3Q12			4Q12			1Q13		
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
Beginning Cash Balance	283,391	283,148	275,586	279,844	215,268	208,255	200,373	179,507	161,762	146,413	133,705	118,879	101,705	82,024	66,778
Sources															
Satellite Revenue	2,458	2,259	2,651	3,670	2,534	2,784	3,706	2,661	2,854	3,798	2,595	2,711	2,397	2,440	2,585
Terrestrial Revenue	-	245	-	-	-	-	-	(245)	-	-	-	-	-	-	-
Interest Income	31	36	35	23	22	21	28	26	25	23	22	21	20	23	21
Equity Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend or Loan from LP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	1,157	1,809	139	-	-	-	-	-	-	-	-	-	-	-
Total Sources	2,489	3,699	4,495	3,812	2,536	2,805	3,734	2,443	2,878	3,822	2,617	2,732	2,416	2,463	2,606
Uses (OPEX)															
In-Orbit Insurance	-	862	-	862	-	-	-	862	-	-	3,135	-	-	-	-
ISAT Coop Agmt	-	-	-	56,250	-	-	-	-	-	-	-	-	-	-	-
1.6 GHz Lease & Related Payments	6,602	102	20	20	20	20	6,520	20	20	20	20	20	6,520	20	20
1.4 GHz Lease	2,000	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-
L-band network infrastructure	2	3	253	239	25	2	70	35	35	35	35	35	35	35	35
OSS / BSS	73	98	25	-	-	-	-	-	-	-	-	-	-	-	-
ERP	59	28	199	45	54	-	204	45	204	125	125	284	45	45	204
Partner Enablement	-	70	-	-	-	-	-	-	-	-	-	-	-	-	-
GPS Marketing, TWG Related, Technology	1,292	931	126	395	-	-	-	-	-	-	-	-	-	-	-
Spectrum Management	-	-	-	-	150	125	100	100	100	100	100	100	100	100	100
Staffing Related (entire company)	4,349	8,826	20,303	2,789	2,676	4,942	2,191	2,171	5,294	2,156	2,087	2,141	2,328	6,223	2,278
Legal / Regulatory / Lobbying / International	3,607	1,793	8,660	6,086	1,056	1,176	1,902	1,657	1,254	2,139	1,246	1,229	1,238	1,238	1,238
Contingency for Legal/Regul/Lobbying/ Int	-	-	-	-	53	59	95	83	63	107	62	61	62	62	62
Facilities/Telecom	469	527	538	513	145	1,127	696	696	696	696	696	696	696	696	696
G&A	717	623	7,307	485	649	(1,598)	972	545	488	624	626	598	525	623	6,907
Funds from Inc to pay LP expenses (in Ch.11)	139	99	246	67	148	195	128	123	123	123	123	123	115	115	115
Travel Expenses (entire company)	1,534	1,132	2,189	1,225	1,462	2,362	1,376	2,128	1,546	1,477	1,581	941	1,355	1,275	1,431
Other items	20,871	17,193	39,896	68,977	6,438	8,410	14,254	8,465	9,822	7,601	9,855	6,228	13,018	10,481	13,086
Subtotal - USES (OPEX)	-	(34,806)	(206)	14	125	-	-	-	-	-	-	-	-	-	-
Boeing Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Launch Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Qualcomm	-	406	-	40	760	-	380	-	-	-	-	-	-	-	-
Atmel Lucent S-BTS	541	8,446	-	-	1,500	-	-	3,400	-	-	-	6,400	-	-	1,300
HNS	-	-	-	309	-	-	-	-	-	-	-	-	-	-	-
Sprint	-	-	(65,000)	(2,333)	-	-	-	-	-	-	-	-	-	-	-
1.6 GHz related (other than spectrum)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Network Maintenance/Capex	122	23	-	-	-	-	250	-	250	-	500	175	175	175	175
RAN (NSN)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Core	416	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lab / NOC / System Integration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BandRich	-	-	125	-	-	-	-	-	-	-	-	-	-	-	-
AnyOra	781	-	250	-	-	756	-	-	-	-	-	-	-	-	-
Subtotal - USES (CAPEX)	1,860	(25,932)	(64,831)	(1,970)	885	2,256	680	3,400	280	-	500	6,575	800	175	1,475
Debt Service Restructuring Related	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring Prof excl W&C / Blackstone	-	-	150	1,400	1,245	22	3,466	2,072	1,906	2,679	838	833	2,029	853	853
Adequate Protection Payments	-	-	-	-	-	-	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250
Total Uses	22,731	(8,739)	237	68,408	9,568	10,687	24,600	20,187	18,228	16,529	17,443	19,906	22,097	17,709	21,664
Ending Cash Balance Cur Forecast	263,148	275,586	279,844	215,268	208,255	200,373	179,507	161,762	146,413	133,705	118,879	101,705	82,024	66,778	47,720

LightSquared Proprietary and Confidential

LightSquared Inc. Consolidated Rolling Monthly Cash Scenario: Consensual Cash Collateral Agreement

Quarter/ Month	2013				3Q13				4Q13				1Q14			
	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-13	May-13	Jun-13	Jul-13
Beginning Cash Balance	47,720	35,118	20,736	7,278	(2,438)	(9,372)	(15,343)	(26,938)	(35,189)	(40,852)	(47,274)	(59,912)	47,720	35,118	20,736	7,278
Uses																
Satellite Revenue	3,578	2,471	2,714	3,613	2,586	2,782	3,703	2,530	2,643	2,361	2,501	2,546	3,578	2,471	2,714	3,613
Terrestrial Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	19	22	20	18	4	3	20	-	-	-	-	-	19	22	20	18
Equity Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend or Loan from LP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Sources	3,597	2,493	2,734	3,631	2,590	2,785	3,724	2,530	2,643	2,361	2,501	2,546	3,597	2,493	2,734	3,631
Uses (OPEX)																
In-Orbit Insurance	-	-	-	-	-	-	-	2,997	-	-	-	-	-	-	-	-
ISAT Coop Agmt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.6 GHz Lease & Related Payments	20	20	20	2,493	20	20	7,170	20	20	20	20	20	20	20	20	20
1.4 GHz Lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
L-Band network Infrastructure	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35	35
OSS / BSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ERP	45	45	204	45	45	204	45	45	204	45	45	204	45	45	204	45
Partner Enablement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GPS Marketing, TWG Related, Technology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Spectrum Management	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Staffing Related (entire company)	2,201	2,261	2,179	2,275	2,254	2,171	2,227	2,150	2,205	2,328	9,639	2,278	2,201	2,261	2,179	2,275
Legal / Regulatory / Lobbying / Internationl	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238
Contingency for Legal/Regul/Lobbying/ Int	62	62	62	62	62	62	62	62	62	62	62	62	62	62	62	62
Facilities/Telecom	696	696	696	696	696	696	696	696	696	696	696	696	696	696	696	696
GSMA	485	649	763	522	545	488	624	626	598	525	623	5,407	485	649	763	522
Funds from Inc to pay LP expenses (in Ch.11)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel Expenses (entire company)	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115
Other Items	1,275	1,275	1,362	1,932	1,522	1,434	1,965	1,680	2,017	1,425	1,425	1,425	1,275	1,275	1,362	1,932
Subtotal - USES (OPEX)	6,272	6,495	6,773	9,512	6,631	6,563	19,676	9,763	7,288	6,589	13,997	16,579	6,272	6,495	6,773	9,512
Uses (CAPEX)																
Boeing Payments	2,025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Launch Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Qualcomm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcatel Lucent S-BTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HNS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sprint	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.6 GHz related (other than spectrum)	175	2,100	2,316	2,357	2,048	165	165	165	165	165	165	165	175	2,100	2,316	2,357
Current Network Maintenance/Capex	625	-	-	625	-	-	625	-	-	-	-	-	625	-	-	625
RAN (NSN)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Core	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lab / NOC / System Integration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BandRich	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AnyData	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - USES (CAPEX)	2,825	2,100	2,316	2,982	2,048	165	790	165	165	165	165	165	2,825	2,100	2,316	2,982
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring Prof excl W&C / Blackstone	853	2,029	853	853	853	2,029	853	853	853	853	853	853	853	2,029	853	853
Adequate Protection Payments	6,250	6,250	6,250	6,250	6,250	-	-	-	-	-	-	-	6,250	6,250	6,250	6,250
Total Uses	16,200	16,874	16,198	13,347	9,532	8,756	15,319	10,780	8,307	8,782	15,140	17,587	16,200	16,874	16,198	13,347
Ending Cash Balance Cur Forecast	35,118	20,736	7,278	(2,438)	(9,372)	(15,343)	(26,938)	(35,189)	(40,852)	(47,274)	(59,912)	(74,963)	35,118	20,736	7,278	(2,438)

LightSquared Proprietary and Confidential

LightSquared Inc. Standalone

LightSquared Inc. Standalone Rolling Monthly Cash Forecast - June 12, 2012 (\$'k)
Cash Scenario: Consensus Cash Collateral Agreement

Quarter	2012												2013		
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
Beginning Cash Balance	22,280	18,075	15,942	15,450	15,430	12,864	14,622	6,914	6,220	5,821	5,391	5,055	4,534	(2,670)	(3,192)
Sources															
Satellite Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Terrestrial Revenue	-	245	-	-	-	-	-	(245)	-	-	-	-	-	-	-
Interest Income	2	2	2	2	2	1	2	1	1	1	1	1	1	1	-
Equity Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend or Loan from LP	5,000	-	6,000	-	-	-	-	-	-	-	-	-	-	-	-
Financing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Sources	5,002	247	6,002	2	2	1	2	(244)	1	1	1	1	1	1	-
Uses															
In-Orbit Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ISAT Coop Agmt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.6 GHz Lease & Related Payments	5,602	102	20	20	20	20	6,520	20	20	20	20	20	6,520	20	20
1.4 GHz Lease	2,000	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-
L-Band network Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
OSS / BSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ERP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partner Enablement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GPS Marketing, TWG Related, Technology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Spectrum Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Staffing Related (entire company)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal / Regulatory / Lobbying / International	551	148	132	89	145	-	-	-	-	40	20	45	97	45	45
Contingency for Legal/Regul/Lobbying/ Int	-	-	-	-	7	-	1	1	1	2	1	2	5	2	2
Facilities/Telecom	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G&A	64	129	6,343	(77)	155	223	609	149	149	149	186	179	231	179	1,147
Funds from Inc to pay LP expenses (in Ch.11)	-	-	-	-	2,000	(2,000)	-	-	-	-	-	-	-	-	-
Travel Expenses (entire company)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - USES (OPEX)	9,218	2,379	6,494	31	2,327	(1,757)	7,150	190	190	211	227	247	6,853	247	1,215
Uses (CAPEX)															
Boeing Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Launch Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Qualcomm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcatel Lucent S-BTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HNS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sprint	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.6 GHz related (other than spectrum)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Network Maintenance/Capex	-	-	-	-	-	-	-	-	-	-	-	175	175	175	175
RAIN (NSN)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Core	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lab / NOC / System Integration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BandRich	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AnyData	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - USES (CAPEX)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring Professionals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adequate Protection Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Uses	9,218	2,379	6,494	31	2,327	(1,757)	7,150	190	190	211	227	247	6,853	247	1,215
Ending Cash Balance Cur Forecast	18,075	15,942	15,450	15,430	12,864	14,622	6,914	6,220	5,821	5,391	5,055	4,534	(2,670)	(3,192)	(4,681)

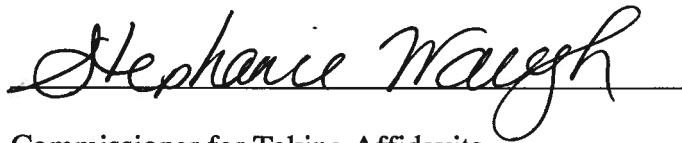
LightSquared Proprietary and Confidential

LightSquared Inc. Standalone Rolling Monthly Cash
Cash Scenario: Consensus Cash Collateral Agree

Quarter Month	2Q13			3Q13			4Q13			1Q14		
	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Beginning Cash Balance	(4,681)	(5,176)	(7,729)	(10,435)	(15,582)	(17,947)	(18,558)	(26,189)	(26,707)	(27,856)	(27,856)	(28,962)
SOURCES												
Satellite Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Terrestrial Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-
Equity Financing	-	-	-	-	-	-	-	-	-	-	-	-
Debt Financing	-	-	-	-	-	-	-	-	-	-	-	-
Dividend or Loan from LP	-	-	-	-	-	-	-	-	-	-	-	-
Financing Fees	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Sources	-	-	-	-	-	-	-	-	-	-	-	-
Uses (OPEx)												
In-Orbit Insurance	-	-	-	-	-	-	-	-	-	-	-	-
ISAT Coop Agmt	-	-	-	-	-	-	-	-	-	-	-	-
1.6 GHz Lease & Related Payments	20	20	20	2,493	20	20	7,170	20	20	20	20	20
1.4 GHz Lease	-	-	-	-	-	-	-	-	-	-	-	-
L-Band network infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
CSS / BSS	-	-	-	-	-	-	-	-	-	-	-	-
ERP	-	-	-	-	-	-	-	-	-	-	-	-
Partner Enablement	-	-	-	-	-	-	-	-	-	-	-	-
GPS Marketing, TWG Related, Technology	-	-	-	-	-	-	-	-	-	-	-	-
Spectrum Management	-	-	-	-	-	-	-	-	-	-	-	-
Staffing Related (entire company)	-	-	-	-	-	-	-	-	-	-	-	-
Legal / Regulatory / Lobbying / International	45	97	45	45	45	97	45	45	45	97	45	45
Contingency for Legal/Regulatory/Lobbying/ Int	2	5	2	2	2	5	2	2	2	5	2	2
Facilities/Telecom	-	-	-	-	-	-	-	-	-	-	-	-
G&A	153	155	223	149	149	149	149	186	179	175	175	922
Funds from Inc to pay LP expenses (In Ch.11)	-	-	-	-	-	-	-	-	-	-	-	-
Travel Expenses (entire company)	-	-	-	-	-	-	-	-	-	-	-	-
Other Items	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - USES (OPEx)	220	276	291	2,689	216	271	7,366	253	247	297	243	990
Uses (CAPEX)												
Boeing Payments	-	-	-	-	-	-	-	-	-	-	-	-
Launch Services	-	-	-	-	-	-	-	-	-	-	-	-
Qualcomm	-	-	-	-	-	-	-	-	-	-	-	-
Alcatel Lucent S-BTS	-	-	-	-	-	-	-	-	-	-	-	-
HINS	-	-	-	-	-	-	-	-	-	-	-	-
Sprint	-	-	-	-	-	-	-	-	-	-	-	-
1.6 GHz related (other than spectrum)	175	2,100	2,316	2,357	2,048	165	165	165	165	165	165	165
Current Network Maintenance/Capex	-	-	-	-	-	-	-	-	-	-	-	-
RAN (NSM)	-	-	-	-	-	-	-	-	-	-	-	-
Core	-	-	-	-	-	-	-	-	-	-	-	-
Lab / NOC / System Integration	-	-	-	-	-	-	-	-	-	-	-	-
BandRich	-	-	-	-	-	-	-	-	-	-	-	-
AnyData	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - USES (CAPEX)	175	2,100	2,316	2,357	2,048	165	165	165	165	165	165	165
Debt Service												
Cash Interest	100	176	100	100	100	176	100	100	100	176	100	100
Restructuring Professionals	-	-	-	-	-	-	-	-	-	-	-	-
Adequate Protection Payments	-	-	-	-	-	-	-	-	-	-	-	-
Total Uses	495	2,552	2,707	5,147	2,365	611	7,631	518	511	637	507	1,254
Ending Cash Balance Cur Forecast	(5,176)	(7,729)	(10,438)	(15,582)	(17,947)	(18,558)	(26,189)	(26,707)	(27,218)	(27,856)	(28,962)	(29,616)

LightSquared Proprietary and Confidential

Exhibit “B” to the Affidavit of Jarvis H. Héту,
sworn before me this 14th day of June, 2012.

A handwritten signature in black ink, reading "Stephanie Waugh", written over a horizontal line.

Commissioner for Taking Affidavits

**Stephanie Waugh,
a Commissioner, etc., City of Toronto,
for Fraser Milner Casgrain LLP,
Barristers and Solicitors.
Expires March 13, 2013.**

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

LIGHTSQUARED INC., *et al.*,

Debtors.¹

) Chapter 11

) Case No. 12-_____12080 (SCC)

) Joint Administration-
Requested Jointly Administered

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

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 (the “Interim Order”) and a final order (the “Final Order” and, together with the Interim Order, the “Cash Collateral Orders”), under sections 105, 361, 362, 363(c), and 507 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”), Rules 2002, 4001, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule

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 450 Park Avenue, Suite 2201, New York, NY 10022.

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

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 diminution in value of their interests in the ~~Cash~~Prepetition Collateral, pursuant to sections 361, ~~362~~, and 363 of the Bankruptcy Code;
- (b) vacating and modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of this ~~Interim~~Final Order, as limited pursuant hereto;
- (c) scheduling, pursuant to Bankruptcy Rule 4001, an interim hearing (the “Interim Hearing”) to consider the relief requested in the Motion on an interim basis; and
- (d) scheduling, pursuant to Bankruptcy Rule 4001, a final hearing (the “Final Hearing”) to consider the relief requested in the Motion on a final basis.

The Court having considered the Motion, the Declaration of Marc R. Montagner, Chief Financial Officer and Interim Co-Chief Operating Officer of LightSquared Inc., (A) in Support of First Day Pleadings and (B) Pursuant to Rule 1007-2 of Local Bankruptcy Rules for United States Bankruptcy Court for Southern District of New York, the exhibits and schedules attached thereto and the evidence submitted at the ~~Interim~~Final Hearing; and notice of the ~~Interim~~Final Hearing having been given in accordance with Bankruptcy Rules 4001(b) and (d) and 9014; and the ~~Interim~~Final Hearing to consider the ~~interim~~ relief requested in the Motion having been held and concluded; and all objections, if any, to the ~~interim~~ relief requested in the Motion having been withdrawn, resolved, or overruled by the Court; and it appearing to the Court that granting the ~~interim~~ relief requested is ~~necessary to avoid immediate and irreparable harm to the Debtors and their estates pending the Final Hearing, and otherwise~~ 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 ~~INTERIM~~**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 yet 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. Subject to paragraph 12 of this Final Order, the Debtors acknowledge, admit, represent, stipulate, and agree that:

(a) (i) 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”).

(b) (ii) 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 ~~paid~~**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),³ (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 Final Order to the contrary, the Prepetition Inc. Agent and the Prepetition Inc. Lenders have asserted that interest on the Prepetition Inc. Obligations is accruing at the default rate of 17% (as opposed to the non-default contract rate of 15%) as of April 30, 2012 and will increase to 20% on June 29, 2012. The Debtors dispute that there was a prepetition default under the Prepetition Inc. Credit Facility. The Debtors and the Prepetition Inc. Agent have agreed that pending entry of an order of this Court approving postpetition financing for the Inc. Obligors, in form and substance acceptable to the Prepetition Inc. Agent and the Prepetition Inc. Lenders, on or before June 30, 2012 (the “DIP Order”), interest on the Prepetition Inc. Obligations shall accrue at the non-default contract rate under the

³ Although the One Dot Four Lease was terminated, the Prepetition Inc. Agent retains a first priority security interest in any remaining collateral.

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 Final Order, the Debtors acknowledge, admit, represent, stipulate, and agree that:

(a) (iii) 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,³⁴ the “Prepetition LP Agent” and, together with the Prepetition Inc. Agent, the “Prepetition Agents” and, together with the Prepetition LP

³⁴ 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.

Lenders, the “Prepetition LP Secured Parties”)⁵, 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) ~~(iv)~~ 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 ~~paid~~ 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”).

~~(v) Prepetition Inc. Collateral. To secure the Prepetition Inc. Obligations, the Inc. Obligors granted to the Prepetition Inc. Agent 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 capital stock of each Prepetition Inc. Subsidiary Guarantor and (c) all~~

⁵ The Prepetition LP Agent, together with the Prepetition Inc. Agent, are the “Prepetition Agents” and, together with the Prepetition Lenders, the “Prepetition Secured Parties.”

proceeds and products of each of the foregoing (collectively, the “Prepetition Inc. Collateral”).⁴ The Prepetition Inc. Collateral does not include cash.

(c) (vi) Prepetition LP Collateral. To secure the Prepetition LP Obligations, the LP Obligors granted to the Prepetition LP Agent for the benefit of the Prepetition LP Lenders first-priority security interests in and liens (the “Prepetition LP Liens” and, together with the Prepetition Inc. Liens, the “Prepetition Liens”) on (a) substantially all of the assets of LightSquared LP and the Prepetition LP Subsidiary Guarantors, (b) the equity interests of LightSquared LP and the Prepetition LP Parent Guarantors (except LightSquared Inc.) and, (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”).⁵ For the

⁴ Previously, the Prepetition Inc. Credit Facility also was collateralized by the One Dot Four Lease (as defined in the Prepetition Inc. Credit Documents). However, such lease is no longer part of the collateral package given that such lease has been terminated (as further discussed in the Montagner Declaration).

⁵ The Prepetition LP Collateral does not include the following: (a) any permit or license issued by a Governmental Authority (as defined in the Prepetition LP Credit Agreement) or other agreement to the extent the terms thereof validly prohibit the creation by the pledgor thereof of a security interest in such permit, license or other agreement; (b) property subject to any purchase money or vendor financing if the contract or other agreement in which such lien is granted validly prohibits the creation of any other lien on such property; (c) property subject to any capital lease; (d) any intent to use trademark application to the extent a security interest therein would result in the loss by the pledgor thereof of any material rights therein; (e) certain deposit and securities accounts securing currency hedging or credit card vendor programs or letters of credit provided to vendors in the ordinary course of business; (f) equity interests in (i) excess of 66% in non U. S. subsidiaries held by a US subsidiary, (ii) LightSquared Network LLC and (iii) any joint venture or similar entity to the extent the terms of such investment restrict such security

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)).⁶

F. Findings Regarding the Use of ~~Cash~~Prepetition Collateral.

(i) Need for Use of Prepetition Collateral, Including Cash Collateral. The Debtors' need to use Prepetition Collateral, including Cash Collateral ~~on an interim basis is immediate and~~ 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

interest; and (g) any consumer goods subject to the Canadian Security Agreement (as defined in the Prepetition LP Credit Agreement) (collectively, the "Prepetition LP Excluded Collateral").

⁶ 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)).

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 each case 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 (as the same may be modified from time to time, the "Budget, which is attached hereto as Schedule 1"),⁷ 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 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 Final Order); provided, that (i) no payments (e.g., bonuses, severance payments, or critical vendor payments) which

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

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

⁹ Or such shorter period commencing on the date of entry of the Final Order.

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 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 over the entire twelve (12)-month period.

G. Adequate Protection. As a result of the use of the ~~Cash~~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 decreased~~diminution~~ in the value ("Diminution in Value") of their respective interest in the ~~Cash~~Prepetition Collateral resulting from the Debtors' use, sale, or lease of the ~~Cash~~Prepetition Collateral during the Debtors' Chapter 11 Cases. ~~As adequate protection, each of the Prepetition Agents will receive, solely to the extent of the diminution in value~~ 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 interests in the Prepetition Collateral, including Cash Collateral, on the terms set forth herein, including in exchange for (a) the Adequate Protection Liens, (b) and the 507(b) Claims and (c) the extent of any Diminution in Value, (b) the Adequate Protection Payments (each as defined herein): and (c) the other provisions and benefits set forth herein; provided, however, that to the extent the Prepetition Secured Parties are entitled to accrue

interest, fees, costs or charges under Bankruptcy Code section 506(b), this Final Order shall not in any way impair such entitlement.

H. Section Bankruptcy Code Sections 506(c) and 552(b). In light of (a) the Prepetition Inc. Agent Agent's agreement to subordinate and the absence of an objection by the Prepetition Inc. Lenders' agreement to subordinate the subordination of their liens and section the Inc. Section 507(b) claims 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' agreement to subordinate their liens and section the LP Section 507(b) claims Claim (as defined herein) to the LP Carve-Out (as defined herein), the Prepetition Secured Parties are entitled to, ~~subject to entry of a Final Order,~~ a waiver of the provisions of section Bankruptcy Code sections 506(c) of and 552(b), to the Bankruptcy Code 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. ~~Thus, sufficient cause exists for immediate entry of this Interim Order pursuant to Bankruptcy Rule 4001(c)(2).~~

J. Notice. Notice of the ~~Interim~~**Final** Hearing and the ~~emergency~~ relief requested in the Motion has been provided by the Debtors by electronic mail, facsimile, regular or overnight mail, and/or hand delivery to (a) the U.S. Trustee, (b) the entities listed on the Consolidated List of Creditors Holding the 20 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d), (c) counsel to the Prepetition Agents, (d) counsel to the ~~ad hoc secured group of Prepetition~~**Ad Hoc LP Lenders 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 ~~Federal Communications Commission and 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 ~~interim~~ relief set forth in this ~~Interim~~**Final** Order.

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

IT IS HEREBY ORDERED that:

1. Motion Granted. The Motion is granted to the extent set forth in this Final Order and the use of Prepetition Collateral, including Cash Collateral, on an ~~interim~~**final** basis is authorized, subject to the terms and conditions and to the full reservations of rights set forth in this ~~Interim~~**Final** Order.

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

Authorization To Use Cash Collateral

3. Use of Cash Collateral. Subject to the terms and conditions of this ~~Interim~~**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 ~~Interim~~**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 ~~Interim~~**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 Cash Prepetition Inc. Collateral against any ~~diminution~~ Diminution in value Value of such their interests in the Cash ~~Collateral on account of the Debtors' use of Cash~~ 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 ~~upon the dates~~ as of the Interim Order 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 Cash Prepetition LP Collateral against any ~~diminution~~ Diminution in value Value of such their interests in the Cash Prepetition LP Collateral ~~on account of the Debtors'~~ , 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 ~~upon the dates~~ as of the Interim Order 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

(c) Priority of Adequate Protection Liens. The Inc. Adequate Protection Liens shall be junior only to the Inc. Permitted Liens⁶¹¹ and the Inc. Carve-Out. The LP Adequate Protection Liens shall be junior only to the LP Permitted Liens⁷¹² and the LP Carve-Out.

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 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).

⁶¹¹ 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.

⁷¹² 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.

(d) ~~For purposes of this Interim Order, the~~ 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 ~~11~~ 12 of this ~~Interim~~ 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 ~~Cash~~ Prepetition Inc. Collateral against any ~~diminution~~ Diminution in value Value of such interests in the ~~Cash~~ Collateral on account of the Debtors’ use of Cash 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 ~~Cash~~ Prepetition LP Collateral against any ~~diminution~~ Diminution in value Value of such interests in the ~~Cash~~ Collateral on account of the Debtors’ use of Cash 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 ~~11~~12 of this ~~Interim~~Final Order.

7. Adequate Protection Payments. As used in this 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) ~~7. Adequate Protection Payments~~**Inc. Agent Professional Fees.** As further adequate protection, subject to the reservation of rights set forth in paragraph ~~11~~12 of this ~~Interim~~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 and ~~(b) payment of all reasonable, actual and documented fees and expenses incurred or accrued by the Prepetition LP Agent under and pursuant to the Prepetition LP Agreement, including, without limitation, the reasonable, actual and documented fees and disbursements of counsel to the Prepetition LP Agent, whether incurred or accrued prior to or after the Petition Date, in each case, subject to~~ without limiting the rights of parties in interest pursuant to section 506(b) of the Bankruptcy Code ~~(collectively, the “Adequate Protection Payments”)~~. 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 Agents Inc. Agent pursuant to the provisions of this ~~Interim~~ 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 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

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.

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 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 such amounts to the amounts

projected in the Budget and (y) an update of the Budget through June 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 ~~date of entry of this Interim Order~~ **Petition Date**.

(b) A certified copy of this ~~Interim~~ **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 ~~Interim~~**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 Final Order, "Carve-Outs" shall mean the Inc. Carve-Out and the LP Carve-Out.

(a) Inc. Carve-Out. As used in this ~~Interim~~**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 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 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” (which are restructuring professionals)) in an aggregate amount not to exceed \$64 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 (collectively the “Allowed LP Professional Fees” and, together with the Allowed Inc. Professional Fees, the “Allowed Professional Fees”).

(c) ~~(b)~~ 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-Out Outs.

10. Payment of Compensation. Nothing in this ~~Interim~~ 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 ~~right~~ rights of the Prepetition Agents and/or the Prepetition Lenders to object to the allowance and payment of such fees and expenses.

~~Reservation of Certain Debtor and Third Party Rights and Bar of Challenges and Claims. Nothing in this Interim Order shall prejudice whatever right, if any, the Debtors, any statutory committee(s) or any other party in interest with requisite standing may have to seek (a) to object to or to challenge (i) the validity, extent, priority or perfection of the mortgage, security interests and liens of the Prepetition Inc. Agent with respect to the Prepetition Inc. Collateral or the Prepetition LP Agent with respect to the Prepetition LP Collateral, and~~
~~11. (ii) the validity, allowability, priority, full secured status or amount of the Prepetition Inc. Obligations or the Prepetition LP Obligations or (b) to bring suit against the Prepetition Secured Parties in connection with or related to the Prepetition Credit Documents, or the actions or inactions of Prepetition Secured Parties arising out of or related to the Prepetition Credit Documents.~~ —

11. [Reserved]

12. Investigation Period.

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

disallowed, or subordinated to the same extent, and no provision hereof shall preclude or impair the Court from imposing any appropriate remedy in such event.

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

interest, or claim may be voided, avoided, disallowed, or subordinated to the same extent, and no provision hereof shall preclude or impair the Court from imposing any appropriate remedy in such event.

(c) Notwithstanding anything herein to the contrary, any party in interest other than the Debtors shall have until August 11, 2012 (the “Investigation Termination Date”) to investigate the validity, perfection, enforceability, and extent of any Prepetition Obligations and Prepetition Liens and any potential claims of the Debtors or their estates against any Prepetition Agent or Prepetition Lenders in respect of the applicable Prepetition Obligations and Prepetition Liens, “lender liability” claims and causes of action, or any actions, claims, or defenses under chapter 5 of the Bankruptcy Code (all such claims, defenses, and other actions described in this paragraph are collectively defined as the “Claims and Defenses”). Notwithstanding the foregoing sentence, the Investigation Termination Date for Prepetition Inc. Obligations owing or Prepetition Inc. Liens granted to, or any other Claims and Defenses against, affiliates of the Debtors or any successor holder that acquired Prepetition Inc. Obligations after the Petition Date (“Affiliate Challenges”), shall be the earlier of (i) sixty days after the occurrence of an LP Termination Event and (ii) ten months from the date hereof; 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 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 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 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. ~~12.~~ Termination of Consent to Use of the Prepetition LP Lenders’ Cash Collateral. The authorization of the Debtors to use the Prepetition LP Lenders’ Cash

Collateral **under this Final Order** will terminate if there is entered (a) an order dismissing any of the Chapter 11 Cases of the Debtors with material assets or converting such Chapter 11 Cases to cases under chapter 7, (b) 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 or (c) an order staying, reversing or vacating, in a manner materially adverse to the Prepetition Secured Parties and without prior consent of the applicable Prepetition Secured Party, this Interim Order or the Final Order **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 foregoing following, and "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 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 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 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 Final Order in any material respect, it being understood that non-compliance with the Permitted Variance shall constitute material non-compliance with this Final Order;

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

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

15. Withdrawal of Consent To Use Prepetition Inc. Collateral. The consent of the Prepetition Inc. Agent and the Prepetition Inc. Lenders under this 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 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 Final Order or the DIP Order and subject to the reservation of rights set forth in paragraph 4 of this 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 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. ~~13.~~ No Third Party Rights. Except as explicitly provided for herein, this ~~Interim~~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) ~~14. Limitation on Charging Expenses Against Collateral.~~ Subject to entry of the Final Order, except ~~Except~~ to the extent of the LP Carve-Out with respect to the ~~Prepetition Collateral~~, 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 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 Agents LP Agent, and no such consent shall be implied from any other action or inaction by the Prepetition Secured Parties LP Agent or the Prepetition LP Lenders.

18. Equities of the Case. Effective upon entry of this Final Order and in light of the subordination of their liens to the respective Carve-Outs, the Prepetition Secured Parties shall be entitled to all benefits of Bankruptcy Code section 552(b), and the “equities of the case” exception under Bankruptcy Code section 552(b) shall 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. 15-Joint and Several Liability. Nothing in this InterimFinal Order shall be construed to constitute a substantive consolidation of any of the Debtors’ estates, it being understood, however, that the Inc. Obligor and the LP Obligor shall be jointly and severally liable for their respective obligations hereunder. Notwithstanding the foregoing, the Inc. Obligor shall not be liable for the LP Obligations and the LP Obligor 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 Final Order.

21. ~~16.~~ **Reservation of Rights of Prepetition Secured Parties.** Under the circumstances and given that the adequate protection provided herein is consistent with the Bankruptcy Code, this Court finds that the adequate protection provided herein is reasonable and sufficient to protect the interests of the Prepetition Secured Parties. Notwithstanding any other provision hereof, the grant of adequate protection ~~to~~ **to and acceptance by** the Prepetition Secured Parties **of adequate protection** pursuant hereto **shall in no way be construed as an acknowledgment by the Prepetition Secured Parties that they are in fact adequately protected, and** is without prejudice to the right of the Prepetition Agents ~~Secured Parties~~ to seek modification of the grant of adequate protection provided hereby so as to provide different or additional adequate protection **at any time, or to terminate use of Cash Collateral at any time; provided, however, that all rights of any party in interest to object to such modification of the grant of adequate protection provided hereby or to seek to use Cash Collateral on a non-consensual basis are fully preserved.** Except as expressly provided herein, nothing contained in this ~~Interim~~ **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. ~~Entry of this Interim Order is without prejudice to any and all rights of the Committee, the U.S. Trustee and any other party in interest with respect to the terms and approval of the Final Order and any other position which any party in interest deems appropriate to raise in the Debtors' Chapter 11 Cases.~~ **including the Ad Hoc LP Secured Group. Nothing in this 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. ~~17.~~ 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 ~~Interim~~**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 ~~Interim~~**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 ~~Interim~~**Final** Order.

23. ~~18.~~ 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, ~~subject to entry of the Final Order,~~ (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 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 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. 19. Binding Effect of Interim Final Order. Immediately upon execution by this Court, the terms and provisions of this ~~Interim~~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. 20. Survival. The provisions of this ~~Interim~~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.

~~21. Final Hearing. The Final Hearing to consider entry of the Final Order is scheduled for _____, 2012 at _____.m. (prevailing Eastern time) before this Court. On or before _____, 2012, the Debtors shall serve, by United States mail, first-class postage prepaid, notice of the entry of this Interim Order and of the Final Hearing (the "Final Hearing Notice"), together with copies of this Interim Order and the Motion, on: (a) the parties having been given notice of the Interim Hearing, (b) any party which has filed prior to such date a request for notices with this Court and (c) counsel for the Committee. The Final Hearing Notice shall state that any party in interest objecting to the entry of the proposed Final Order shall file written objections with the Clerk of Court no later than on _____, 2012 at 4:00 p.m. (prevailing Eastern time), which objections shall be served so as to be received on or before such date by: (a) LightSquared Inc., 450 Park Avenue, Suite 2201, New York, NY 10022, Attn: Marc R. Montagner and Curtis Lu, Esq., (b) proposed counsel to the Debtors, Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, NY 10005, Attn: Matthew S. Barr, Esq. and Karen Gartenberg, Esq., (c) the Office of the United States Trustee for the Southern District of New York, (d) counsel to the Committee, (e) counsel to the Prepetition Inc. Agent, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036, Attn: Michael S. Stamer, Esq. and Philip C. Dublin, Esq., (f) counsel to the Prepetition LP Agent, Latham & Watkins LLP, 885 Third Avenue, New York, NY 10022, Attn: Melissa S. Alwang, Esq. and (g) 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.~~

28. ~~22.~~ *Nunc Pro Tunc* Effect of this Interim**Final** Order. This ~~Interim~~**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. ~~23.~~ Retention of Jurisdiction. The Court has and will retain jurisdiction to enforce this ~~Interim~~**Final** Order according to its terms.

New York, New York

Date: **June** [_____], 2012

Honorable Shelley C. Chapman
United States Bankruptcy Judge

Schedule 1

Budget

LightSquared LP Standalone

LightSquared LP Standalone Rolling Monthly Cash Forecast - June 12, 2012 (\$K)
Cash Scenario: Consensual Cash Collateral Agreement

Quarter	1Q12				2Q12				3Q12				4Q12				1Q13			
	Jan-12	Feb-12	Mar-12	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	Jul-13	Aug-13
Beginning Cash Balance	261,101	245,074	259,644	264,394	159,848	195,382	185,752	172,593	155,543	140,592	128,315	113,825	97,172	84,594	69,970					
SOURCES																				
Satellite Revenue	2,458	2,259	2,651	3,670	2,534	2,784	3,706	2,661	2,854	3,798	2,595	2,711	2,387	2,440	2,585					
Terrestrial Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Interest Income	29	37	33	21	20	20	26	25	24	23	22	20	19	23	21					
Equity Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Debt Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Dividend or Loan from LP	(5,000)	-	(6,000)	-	-	-	-	-	-	-	-	-	-	-	-	-				
Financing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Other	-	1,157	1,809	139	-	-	-	-	-	-	-	-	-	-	-	-				
Total Sources	(2,513)	3,452	(1,507)	3,830	2,554	2,808	3,732	2,686	2,877	3,821	2,616	2,731	2,416	2,463	2,606					
USES (OPEX)																				
In-Orbit Insurance	-	862	-	862	-	-	-	862	-	-	3,155	-	-	-	-	-				
ISAT Coop Agmt	-	-	-	56,250	-	-	-	-	-	-	-	-	-	-	-	-				
1.6 GHz Lease & Related Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
1.4 GHz Lease	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
L-Band network infrastructure	2	3	253	239	25	2	70	35	35	35	35	35	35	35	35					
OSS / BSS	73	98	25	-	-	-	-	-	-	-	-	-	-	-	-	-				
ERP	59	28	198	45	54	-	204	45	204	125	125	284	45	45	204					
Partner Enablement	1,292	931	126	395	-	-	-	-	-	-	-	-	-	-	-	-				
GPS Marketing, TWG Related, Technology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Spectrum Management	-	-	-	-	150	125	100	100	100	100	100	100	100	100	100					
Staffing Related (entire company)	4,349	8,826	20,303	2,789	2,676	4,942	2,191	2,171	5,294	2,156	2,087	2,141	2,328	6,223	2,278					
Legal / Regulatory / Lobbying / Internet	3,055	1,645	8,558	5,988	911	1,176	1,882	1,637	1,234	2,099	1,226	1,184	1,141	1,193	1,193					
Contingency for Legal/Regul/Lobbying/ Int	-	-	-	-	46	59	94	82	62	105	61	59	57	60	60					
Facilities/Telecom	499	527	538	513	145	1,127	696	696	696	696	696	696	696	696	696					
G&A	653	494	965	562	494	(1,821)	363	396	339	475	440	419	294	443	5,760					
Funds from Inc to pay LP expenses (in Ch.11)	-	-	-	-	(2,000)	-	-	-	-	-	-	-	-	-	-	-				
Travel Expenses (entire company)	139	99	246	67	148	195	128	123	123	123	123	123	115	115	115					
Other Items	1,534	1,232	2,189	1,226	1,462	2,962	1,376	2,128	1,546	1,477	1,581	941	1,355	1,275	1,431					
Subtotal - USES (OPEX)	11,653	14,814	33,402	68,946	4,111	10,166	7,104	8,275	9,632	7,390	9,628	5,981	6,165	10,194	11,871					
USES (CAPEX)																				
Boeing Payments	-	-	(206)	14	125	-	-	-	-	-	-	-	-	-	-	-				
Launch Services	-	(34,806)	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Qualcomm	-	406	-	40	760	-	380	-	-	-	-	-	-	-	-	-				
Alcatel Lucent S-BTS	541	8,446	-	-	-	1,500	-	3,400	-	-	-	5,400	-	-	-	1,300				
HNS	-	-	-	309	-	-	-	-	-	-	-	-	-	-	-	-				
Sprint	-	-	(65,000)	(2,333)	-	-	-	-	-	-	-	-	-	-	-	-				
1.6 GHz related (other than spectrum)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Current Network Maintenance/Capex	122	23	-	-	-	-	250	-	250	-	500	-	625	-	-	-				
RAN (NSN)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Core	416	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Lab / NOC / System Integration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
BandRich	781	-	125	-	-	756	-	-	-	-	-	-	-	-	-	-				
AnyData	-	-	250	-	-	-	-	-	-	-	-	-	-	-	-	-				
Subtotal - USES (CAPEX)	1,860	(25,932)	(64,331)	(1,970)	885	2,256	630	3,400	250	-	500	5,400	625	-	1,300					
Debt Service																				
Cash Interest	-	-	25,023	-	-	-	-	-	-	-	-	-	-	-	-	-				
Restructuring Prof exclud W&C / Blackstone	-	-	150	1,400	2,014	22	2,906	1,812	1,696	2,439	728	753	1,855	753	753					
LP Adequate Protection Payments																				
Total Uses	13,513	(11,118)	(6,257)	68,376	7,010	12,444	16,890	19,737	17,828	16,098	17,106	19,384	14,883	17,187	20,174					
Ending Cash Balance Cur Forecast	245,074	259,644	264,394	199,848	195,382	185,752	172,593	155,543	140,592	128,315	113,825	97,172	84,594	69,970	52,402					

LightSquared LP Standalone Rolling Monthly Cash
Cash Scenario: Consensus Cash Collateral Agreement

Quarter Month	2Q13			3Q13			4Q13			1Q14		
	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Beginning Cash Balance	52,402	40,295	28,466	17,714	13,145	8,576	3,216	(748)	(8,481)	(13,633)	(19,418)	(31,549)
Sources												
Satellite Revenue	3,578	2,471	2,714	3,613	2,595	2,782	3,703	2,530	2,643	2,361	2,501	2,546
Terrestrial Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	19	22	20	18	4	3	20	-	-	-	-	-
Equity Financing	-	-	-	-	-	-	-	-	-	-	-	-
Debt Financing	-	-	-	-	-	-	-	-	-	-	-	-
Dividend or Loan from LP	-	-	-	-	-	-	-	-	-	-	-	-
Financing Fees	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Sources	3,597	2,493	2,734	3,631	2,599	2,785	3,724	2,530	2,643	2,361	2,501	2,546
Uses (OPEx)												
In-Orbit Insurance	-	-	-	-	-	-	-	2,997	-	-	-	-
ISAT Coop Agmt	-	-	-	-	-	-	-	-	-	-	-	5,000
1.6 GHz Lease & Related Payments	-	-	-	-	-	-	-	-	-	-	-	-
1.4 GHz Lease	-	-	-	-	-	-	-	-	-	-	-	-
L-Band network Infrastructure	35	35	35	35	35	35	35	35	35	35	35	35
OSS / BSS	-	-	-	-	-	-	-	-	-	-	-	-
ERP	45	45	204	45	45	204	45	45	204	45	45	204
Partner Enablement	-	-	-	-	-	-	-	-	-	-	-	-
GPS Marketing, TWG Related, Technology	-	-	-	-	-	-	-	-	-	-	-	-
Spectrum Management	100	100	100	100	100	100	100	100	100	100	100	100
Staffing Related (entire company)	2,201	2,261	2,179	2,275	2,254	2,171	2,227	2,150	2,205	2,328	9,639	2,278
Legal / Regulatory / Lobbying / Internal	1,193	1,141	1,193	1,193	1,193	1,141	1,193	1,193	1,193	1,141	1,193	1,193
Contingency for Legal/Regul/Lobbying/Int	60	57	60	60	60	57	60	60	60	57	60	60
Facilities/Telecom	696	696	696	696	696	696	696	696	696	696	696	696
G&A	332	484	539	373	396	389	475	440	419	350	448	4,485
Funds from Inc to pay LP expenses (in Ch.11)	-	-	-	-	-	-	-	-	-	-	-	-
Travel Expenses (entire company)	115	115	115	115	115	115	115	115	115	115	115	115
Other Items	1,275	1,275	1,362	1,932	1,522	1,434	1,365	1,680	2,017	2,425	1,425	1,425
Subtotal - USES (OPEx)	6,062	6,219	6,483	6,823	6,415	6,292	6,310	9,509	7,042	6,292	13,755	15,590
Uses (CAPEX)												
Bonding Payments	2,025	-	-	-	-	-	-	-	-	-	-	-
Launch Services	-	-	-	-	-	-	-	-	-	-	-	-
Qualcomm	-	-	-	-	-	-	-	-	-	-	-	-
Alcatel Lucent S-BTS	-	-	-	-	-	-	-	-	-	-	-	-
HNS	-	-	-	-	-	-	-	-	-	-	-	-
Sprint	-	-	-	-	-	-	-	-	-	-	-	-
1.6 GHz related (other than spectrum)	-	-	-	-	-	-	-	-	-	-	-	-
Current Network Maintenance/Capex	625	-	-	625	-	-	625	-	-	-	125	-
RAIN (NSN)	-	-	-	-	-	-	-	-	-	-	-	-
Core	-	-	-	-	-	-	-	-	-	-	-	-
Lab / NOC / System Integration	-	-	-	-	-	-	-	-	-	-	-	-
BandRich	-	-	-	-	-	-	-	-	-	-	-	-
AnyData	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - USES (CAPEX)	2,650	-	-	625	-	-	625	-	-	-	125	-
Debt Service Restructuring Related												
Cash Interest	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring Prof endud W&C / Blackstone	753	1,853	753	753	753	1,853	753	753	753	1,853	753	753
LP Adequate Protection Payments	6,250	6,250	6,250	-	-	-	-	-	-	-	-	-
Total Uses	15,705	14,322	13,486	8,201	7,168	8,145	7,688	10,262	7,796	8,145	14,633	16,343
Ending Cash Balance Our Forecast	40,295	28,466	17,714	13,145	8,576	3,216	(748)	(8,481)	(13,633)	(19,418)	(31,549)	(45,346)

Schedule 2

Two-Year LightSquared Inc. Cashflow

LightSquared Inc. Consolidated

LightSquared Inc. Consolidated Rolling Monthly Cash Forecast - June 12, 2012 (\$K)
Cash Scenario: Consensual Cash Collateral Agreement

Quarter Month	1Q12			2Q12			3Q12			4Q12			1Q13		
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
Beginning Cash Balance	283,391	263,148	275,586	279,844	215,268	208,255	200,373	179,507	161,782	146,413	133,705	118,879	101,705	82,024	66,778
Sources															
Satellite Revenue	2,458	2,259	2,651	3,670	2,534	2,784	3,706	2,661	2,854	3,798	2,595	2,711	2,397	2,440	2,585
Terrestrial Revenue	-	245	-	-	-	-	-	(245)	-	-	-	-	-	-	-
Interest Income	31	39	35	23	22	21	28	26	25	23	22	21	20	23	21
Equity Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend or Loan from LP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	1,157	1,309	139	-	-	-	-	-	-	-	-	-	-	-
Total Sources	2,489	3,699	4,495	3,832	2,536	2,805	3,734	2,443	2,878	3,832	2,617	2,732	2,416	2,463	2,606
Uses (OPEx)															
In-Orbit Insurance	-	862	-	862	-	-	-	862	-	-	3,155	-	-	-	-
ISAT Coop Agmt	-	-	-	56,250	-	-	-	-	-	-	-	-	-	-	-
1.6 GHz Lease & Related Payments	6,602	102	20	20	20	20	6,520	20	20	20	20	20	6,520	20	20
1.4 GHz Lease	2,000	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-
L-Band network Infrastructure	2	3	253	239	25	2	70	35	35	35	35	35	35	35	35
CSS / BSS	73	98	25	-	-	-	-	-	-	-	-	-	-	-	-
ERP	59	28	199	45	54	-	204	45	204	125	125	284	45	45	204
Partner Enablement	-	70	-	-	-	-	-	-	-	-	-	-	-	-	-
GPS Marketing, TWG Related, Technology	1,292	931	126	395	-	-	-	-	-	-	-	-	-	-	-
Spectrum Management	-	-	-	-	150	125	100	100	100	100	100	100	100	100	100
Staffing Related (entire company)	4,349	8,826	20,303	2,789	2,676	4,942	2,191	2,171	5,294	2,156	2,087	2,141	2,328	6,223	2,278
Legal / Regulatory / Lobbying / Internat'l	3,607	1,793	8,690	6,086	1,056	1,176	1,902	1,657	1,254	2,139	1,246	1,229	1,238	1,238	1,238
Contingency for Legal/Regul/Lobbying/ Int	-	-	-	-	53	59	95	83	63	107	62	61	62	62	62
Facilities/Telecom	499	527	538	513	145	1,177	696	696	696	696	696	696	696	696	696
GSMA	717	623	7,307	485	649	(1,598)	972	545	488	624	626	598	525	623	6,907
Funds from Inc to pay LP expenses (in Ch.11)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel Expenses (entire company)	139	99	246	67	148	195	128	123	123	123	123	123	115	115	115
Other Items	1,534	1,232	2,189	1,226	1,462	2,962	1,576	2,128	1,546	1,477	1,581	941	1,355	1,275	1,431
Subtotal - USES (OPEx)	20,871	17,193	39,886	68,977	6,438	8,430	14,254	8,465	9,822	7,601	9,855	6,228	13,018	10,451	13,086
Uses (CAPEX)															
Boeing Payments	-	-	(206)	14	125	-	-	-	-	-	-	-	-	-	-
Launch Services	-	(34,806)	-	-	-	-	-	-	-	-	-	-	-	-	-
Qualcomm	-	406	-	40	780	-	380	-	-	-	-	-	-	-	-
Alcatel Lucent S-BTS	541	8,446	-	-	-	1,500	-	3,400	-	-	-	6,400	-	-	1,300
HMS	-	-	-	309	-	-	-	-	-	-	-	-	-	-	-
Sprint	-	-	(85,000)	(2,393)	-	-	-	-	-	-	-	-	-	-	-
1.6 GHz related (other than spectrum)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Network Maintenance/Capex	122	23	-	-	-	-	250	-	250	-	-	175	175	175	175
RAN (NSN)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Core	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lab / NOC / System Integration	416	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BandRich	-	-	125	-	-	-	-	-	-	-	-	-	-	-	-
AnyData	781	-	250	-	-	756	-	-	-	-	-	-	-	-	-
Subtotal - USES (CAPEX)	1,860	(25,932)	(64,831)	(1,970)	885	2,256	630	3,400	250	-	500	6,575	800	175	1,475
Debt Service															
Cash Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restructuring Prof encl'd W&C / Blackstone	-	-	25,003	-	-	-	3,466	2,072	1,906	2,679	838	853	2,029	853	853
Adequate Protection Payments	-	-	-	1,400	2,245	22	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250
Total Uses	22,731	(8,739)	237	68,408	9,568	10,687	24,600	20,187	18,228	16,529	17,443	19,906	22,097	17,708	21,564
Ending Cash Balance Cur Forecast	263,148	275,586	279,844	215,268	208,255	200,373	179,507	161,782	146,413	133,705	118,879	101,705	82,024	66,778	47,720

LightSquared Inc. Consolidated Rolling Monthly Cash Scenario: Consensual Cash Collateral Agree

Quarter Month	2013				2013				2013				2014			
	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-13	May-13	Jun-13	Jul-13
Beginning Cash Balance	47,720	35,118	20,736	7,278	(2,438)	(9,372)	(15,343)	(26,938)	(35,188)	(40,852)	(47,274)	(59,912)				
Sources																
Satellite Revenue	3,578	2,471	2,714	3,613	2,595	2,782	3,703	2,530	2,643	2,361	2,501	2,546				
Terrestrial Revenue	-	-	-	-	-	-	-	-	-	-	-	-				
Interest Income	19	22	20	18	4	3	20	-	-	-	-	-				
Equity Financing	-	-	-	-	-	-	-	-	-	-	-	-				
Debt Financing	-	-	-	-	-	-	-	-	-	-	-	-				
Dividend or Loan from LP	-	-	-	-	-	-	-	-	-	-	-	-				
Financing Fees	-	-	-	-	-	-	-	-	-	-	-	-				
Other	-	-	-	-	-	-	-	-	-	-	-	-				
Total Sources	3,597	2,493	2,734	3,631	2,599	2,785	3,724	2,530	2,643	2,361	2,501	2,546				
Uses (OPEX)																
In-Orbit Insurance	-	-	-	-	-	-	-	-	-	-	-	-				
ISAT Coop Agmt	-	-	-	-	-	-	-	-	-	-	-	-				
1.6 GHz Lease & Related Payments	20	20	20	2,493	20	20	7,170	20	20	20	20	20				5,000
1.4 GHz Lease	-	-	-	-	-	-	-	-	-	-	-	-				
L-Band network Infrastructure	35	35	35	35	35	35	35	35	35	35	35	35				35
OSS / BSS	-	-	-	-	-	-	-	-	-	-	-	-				
ERP	45	45	204	45	45	204	45	45	204	45	45	204				
Partner Enablement:	-	-	-	-	-	-	-	-	-	-	-	-				
GPS Marketing, TWIG Related, Technology	-	-	-	-	-	-	-	-	-	-	-	-				
Spectrum Management	100	100	100	100	100	100	100	100	100	100	100	100				100
Staffing Related (entire company)	2,201	2,261	2,179	2,275	2,254	2,171	2,227	2,150	2,205	2,328	2,328	2,278				
Legal / Regulatory / Lobbying / Internat'l	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238	1,238				
Contingency for Legal/Regul/Lobbying/ Int	62	62	62	62	62	62	62	62	62	62	62	62				62
Facilities/Telecom	696	696	696	696	696	696	696	696	696	696	696	696				696
G&A	485	649	763	522	545	488	624	626	598	525	623	5,407				
Funds from Inc to pay LP expenses (in Ch.11)	-	-	-	-	-	-	-	-	-	-	-	-				
Travel Expenses (entire company)	115	115	115	115	115	115	115	115	115	115	115	115				
Other Items	1,275	1,275	1,362	1,932	1,522	1,434	1,365	1,680	2,017	1,425	1,425	1,425				
Subtotal - USES (OPEX)	6,272	6,495	6,773	9,512	6,631	6,963	13,676	9,763	7,289	6,589	13,997	15,579				
Boeing Payments	2,025	-	-	-	-	-	-	-	-	-	-	-				
Launch Services	-	-	-	-	-	-	-	-	-	-	-	-				
Qualcomm	-	-	-	-	-	-	-	-	-	-	-	-				
Alcatel Lucent S-BTS	-	-	-	-	-	-	-	-	-	-	-	-				
HNS	-	-	-	-	-	-	-	-	-	-	-	-				
Sprint	-	-	-	-	-	-	-	-	-	-	-	-				
1.6 GHz related (other than spectrum)	175	2,100	2,316	2,357	2,048	165	165	165	165	165	165	165				165
Current Network Maintenance/Capex	625	-	-	625	-	-	625	-	-	-	-	-				
RAN (NSN)	-	-	-	-	-	-	-	-	-	-	-	-				
Core	-	-	-	-	-	-	-	-	-	-	-	-				
Lab / NOC / System Integration	-	-	-	-	-	-	-	-	-	-	-	-				
Bandwidth	-	-	-	-	-	-	-	-	-	-	-	-				
AnyData	-	-	-	-	-	-	-	-	-	-	-	-				
Subtotal - USES (CAPEX)	2,825	2,100	2,316	2,982	2,048	165	790	165	165	165	290	165				
Debt Service Restructuring Related																
Cash Interest	-	-	-	-	-	-	-	-	-	-	-	-				
Restructuring Prof excl W&C / Blackstone	853	2,029	853	853	853	2,029	853	853	853	2,029	853	853				
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	16,200	16,874	16,193	13,347	9,532	8,756	15,319	10,780	8,307	8,782	15,140	17,597				
Ending Cash Balance Cur Forecast	35,118	20,736	7,278	(2,438)	(9,372)	(15,343)	(26,938)	(35,188)	(40,852)	(47,274)	(59,912)	(74,963)				

LightSquared Inc. Standalone

LightSquared Inc. Standalone Rolling Monthly Cash Forecast - June 12, 2012 (\$'K)
Cash Scenario: Consensual Cash Collateral Agreement

Quarter Month	1Q12			2Q12			3Q12			4Q12			1Q13		
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13
Beginning Cash Balance	22,290	18,075	15,942	15,450	15,420	12,864	14,622	6,914	6,220	5,821	5,391	5,055	4,534	(2,670)	(3,192)
Sources															
Smallcell Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Terrestrial Revenue	-	245	-	-	-	-	-	(245)	-	-	-	-	-	-	-
Interest Income	2	2	2	2	2	1	2	1	1	1	1	1	1	1	-
Equity Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend or Loan from LP	5,000	-	6,000	-	-	-	-	-	-	-	-	-	-	-	-
Financing Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Sources	5,002	247	6,002	2	2	1	2	(244)	1	1	1	1	1	1	-
Uses (OPEX)															
In-Orbit Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ISAT Coop Agmt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.6 GHz Lease & Related Payments	6,602	102	20	20	20	20	6,520	20	20	20	20	20	6,520	20	20
1.4 GHz Lease	2,000	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-
L-Band network Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
QSS / BSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ERP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partner Enablement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GPS Marketing, TWG Related, Technology	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Spectrum Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Staffing Related (entire company)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal / Regulatory / Lobbying / Internal	551	148	132	89	145	-	20	20	20	40	20	45	97	45	45
Contingency for Legal/Regul/Lobbying/ Int	-	-	-	-	7	-	1	1	1	2	1	2	5	2	2
Facilities/Telecom	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
G&A	64	129	6,343	(77)	155	223	609	149	149	149	186	179	231	179	1,147
Funds from Inc to pay LP expenses (in Ch.11)	-	-	-	-	2,000	(2,000)	-	-	-	-	-	-	-	-	-
Travel Expenses (entire company)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - USES (OPEX)	9,218	2,379	6,494	31	2,327	(1,757)	7,190	190	190	211	227	247	6,853	247	1,215
Uses (CAPEX)															
Boeing Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Launch Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Qualcomm	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Alcatel Lucent S-BTS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HNS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sprint	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.6 GHz related (other than spectrum)	-	-	-	-	-	-	-	-	-	-	-	175	175	175	175
Current Network Maintenance/Capex	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RAN (NSN)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Core	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lab / NOC / System Integration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BandRich	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AnyData	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - USES (CAPEX)	-	-	-	-	-	-	-	-	-	-	-	175	175	175	175
Debt Service	-	-	-	-	232	-	560	260	210	220	110	100	176	100	100
Restructuring Professionals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adequate Protection Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Uses	9,218	2,379	6,494	31	2,558	(1,757)	7,710	450	400	431	337	522	7,204	522	1,490
Ending Cash Balance Cur Forecast	18,075	15,942	15,450	15,420	12,864	14,622	6,914	6,220	5,821	5,391	5,055	4,534	(2,670)	(3,192)	(4,681)

LightSquared Proprietary and Confidential

LightSquared Inc. Standard Rolling Monthly Cash Scenario: Consensual Cash Collateral Agreement

Quarter Month	2Q13			3Q13			4Q13			1Q14		
	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Beginning Cash Balance	(4,681)	(5,176)	(7,729)	(10,435)	(15,582)	(17,947)	(18,558)	(26,189)	(26,707)	(27,218)	(27,856)	(28,362)
Sources												
Satellite Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Terrestrial Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-
Equity Financing	-	-	-	-	-	-	-	-	-	-	-	-
Debt Financing	-	-	-	-	-	-	-	-	-	-	-	-
Dividend or Loan from LP	-	-	-	-	-	-	-	-	-	-	-	-
Financing Fees	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Sources	-	-	-	-	-	-	-	-	-	-	-	-
Uses (OPEX)												
In-Orbit Insurance	-	-	-	-	-	-	-	-	-	-	-	-
ISAT Coop Agmt	-	-	-	-	-	-	-	-	-	-	-	-
1.6 GHz Lease & Related Payments	20	20	20	2,498	20	20	7,170	20	20	20	20	20
1.4 GHz Lease	-	-	-	-	-	-	-	-	-	-	-	-
L-band network infrastructure	-	-	-	-	-	-	-	-	-	-	-	-
OSS / BSS	-	-	-	-	-	-	-	-	-	-	-	-
ERP	-	-	-	-	-	-	-	-	-	-	-	-
Partner Enablement	-	-	-	-	-	-	-	-	-	-	-	-
GPS Marketing, TWG Related, Technology	-	-	-	-	-	-	-	-	-	-	-	-
Spectrum Management	-	-	-	-	-	-	-	-	-	-	-	-
Scarfing Related (entire company)	-	-	-	-	-	-	-	-	-	-	-	-
Legal / Regulatory / Lobbying / Internatnl	45	97	45	45	45	97	45	45	45	97	45	45
Contingency for Legal/Regul/Lobbying/ Int	2	5	2	2	2	5	2	2	2	5	2	2
Facilities/Telecom	-	-	-	-	-	-	-	-	-	-	-	-
G&A	153	155	223	149	149	149	149	186	179	175	175	922
Funds from Inc to pay LP expenses (In Ch.11)	-	-	-	-	-	-	-	-	-	-	-	-
Travel Expenses (entire company)	-	-	-	-	-	-	-	-	-	-	-	-
Other Items	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - USES (OPEX)	220	276	291	2,689	216	271	7,366	258	247	207	242	990
Uses (CAPEX)												
Boeing Payments	-	-	-	-	-	-	-	-	-	-	-	-
Launch Services	-	-	-	-	-	-	-	-	-	-	-	-
Qualcomm	-	-	-	-	-	-	-	-	-	-	-	-
Alcatel Lucent S-BTS	-	-	-	-	-	-	-	-	-	-	-	-
HNS	-	-	-	-	-	-	-	-	-	-	-	-
Sprint	-	-	-	-	-	-	-	-	-	-	-	-
1.6 GHz related (other than spectrum)	175	2,100	2,316	2,357	2,048	165	165	165	165	165	165	165
Current Network Maintenance/Capex	-	-	-	-	-	-	-	-	-	-	-	-
RAN (NSM)	-	-	-	-	-	-	-	-	-	-	-	-
Core	-	-	-	-	-	-	-	-	-	-	-	-
Lab / NIOC / System Integration	-	-	-	-	-	-	-	-	-	-	-	-
BandRich	-	-	-	-	-	-	-	-	-	-	-	-
AnyData	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - USES (CAPEX)	175	2,100	2,316	2,357	2,048	165	165	165	165	165	165	165
Debt Service Restructuring Related												
Cash Interest	100	176	100	100	100	176	100	100	100	176	100	100
Restructuring Professionals	-	-	-	-	-	-	-	-	-	-	-	-
Adequate Protection Payments	-	-	-	-	-	-	-	-	-	-	-	-
Total Uses	495	2,552	2,707	5,147	2,345	611	7,631	518	511	637	507	1,254
Ending Cash Balance Cur Forecast	(5,176)	(7,729)	(10,435)	(15,582)	(17,947)	(18,558)	(26,189)	(26,707)	(27,218)	(27,856)	(28,362)	(28,916)

LightSquared Proprietary and Confidential

Budget

7

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

SUPPLEMENTAL AFFIDAVIT of
JARVIS H. HÉTU
(SWORN JUNE 14th, 2012)

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