

Engagement Letter

May 30, 2013

LightSquared Inc.
10802 Parkridge Boulevard
Reston, Virginia 20191

Attention: Mr. Doug Smith
Chief Executive Officer

Re: Financing Transaction

LightSquared Inc. has advised Jefferies LLC ("Jefferies") that LightSquared Inc. and certain of its subsidiaries (collectively, the "Debtors" or the "Company") currently are debtors and debtors in possession in jointly-administered cases (the "Chapter 11 Cases") voluntarily commenced under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").

This agreement (this "Agreement") will confirm the arrangements under which Jefferies has been engaged by the Company to facilitate the transactions contemplated hereby, to act as set forth below in connection with a possible Transaction (as defined below).

1. Retention.

(a) The Company hereby retains and authorizes Jefferies, during the term of this engagement, to act as sole and exclusive manager and placement agent or arranger, as the case may be, in connection with the arrangement of a senior secured term loan of the Company on terms to be determined in the amount of [REDACTED] (or more if requested by the Company) in connection with its emergence from the Chapter 11 Cases (individually and collectively, "Bank Debt") (each, a "Transaction").

(b) In connection with a Transaction, the Company and Jefferies shall enter into such mutually agreeable credit agreement (a "Definitive Agreement"). It is understood and agreed that the Company's engagement of Jefferies pursuant to this Agreement is not an express or implied commitment by, nor shall this Agreement otherwise create any obligation on, Jefferies to place or purchase any Bank Debt or otherwise provide or arrange any financing, and that any such obligation shall only exist as set forth in, and subject to the provisions of, such Definitive Agreement.

(c) For the avoidance of doubt, Jefferies will not be acting as a financial advisor to the Company hereunder.

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2. Cooperation.

(a) The Company shall furnish Jefferies with all current and historical materials and information regarding the business and financial condition of the Company relevant to the Transaction, and all other information and data, and access to the Company's officers, directors, employees and professional advisors, which Jefferies reasonably requests in connection with Jefferies' activities hereunder. All such materials, information and data shall, to the knowledge of the Company, be complete and accurate in all material respects and not misleading. The Company agrees to promptly advise Jefferies of all developments materially affecting the Company or the completeness or accuracy of the information previously furnished to Jefferies. If the Company or, to the Company's knowledge, any of its advisors or representatives are contacted by any party concerning a potential Transaction, the Company will promptly inform Jefferies of such inquiry, and all relevant details thereof.

(b) The Company further acknowledges that Jefferies (i) will be relying on information and data provided to Jefferies by or on behalf of the Company without having independently verified the accuracy or completeness thereof, (ii) does not assume responsibility for the accuracy or completeness of any such information and data, (iii) has not made, and will not make, any physical inspection or appraisal of the properties, assets or liabilities (contingent or otherwise) of the Company and (iv) in relying on any financial forecasts that may be furnished by the Company to or discussed with Jefferies, will assume that such forecasts have been reasonably prepared on bases reflecting the best currently available estimates and good faith judgments of management as to the future financial performance of the Company (and if such forecasts no longer reflect such estimates and judgments, then the Company will promptly inform, and provide updated forecasts to, Jefferies).

(c) The Company authorizes Jefferies to distribute to prospective investors in a Transaction disclosure materials approved by the Company for use in connection with a Transaction (and any Rating Agency Presentation (as defined below), in each case, if applicable, the "Materials"), which Materials shall be subject to Jefferies' and the Company's review and approval prior to distribution. The Company acknowledges that the Company shall be solely responsible for the accuracy and completeness of the Materials, and agrees that such Materials shall not contain any untrue statement of material fact, or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they were made, not misleading. The Company further agrees that it will (i) provide Jefferies as soon as practicable but in any event no later than is reasonable and customary for the applicable Transaction, with a complete initial draft of the Materials and (ii) provide Jefferies, if applicable, as soon as practicable but in any event no later than is reasonable and customary for financings of such type, with complete printed preliminary Materials suitable for use in a customary bank facility "road show" relating to the Transaction in such number of copies as Jefferies reasonably requests. The Company also agrees that, if applicable, it will promptly commence the preparation of a presentation to Standard & Poor's Rating Group

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and Moody's Investors Service, Inc. for a rating on any applicable Bank Debt (a "Rating Agency Presentation").

(d) Prior to amending or supplementing the Materials, the Company shall furnish to Jefferies for review a copy of each such proposed amendment or supplement. If, prior to the pricing of a Transaction, any event shall occur or condition shall exist as a result of which it is necessary to amend or supplement the Materials in order to make the statements therein, in the light of the circumstances in which they are made, not misleading, the Company shall promptly prepare and furnish to Jefferies such amendments or supplements.

(e) The Company shall comply, and shall assist Jefferies in complying, with all federal and state securities laws and regulations applicable to the Transaction.

(f) All information provided for above shall only be furnished subject to the prior agreement by Jefferies to such reasonable confidentiality undertaking as appropriate for the Transaction.

3. Use of Name, Agreement. The Company agrees that any reference to Jefferies in any release, communication or other material is subject to Jefferies' prior written approval, which may be given or withheld in its reasonable discretion, for each such reference; provided that the Company may disclose such information to its advisors and affiliates as is reasonably necessary to effect the Transaction. The Company agrees not to disclose this Agreement, the contents hereof or the activities of Jefferies pursuant hereto to any other party without the prior approval of Jefferies. Notwithstanding the foregoing, the Company shall be permitted to file a copy of this Agreement with the Bankruptcy Court, which it will attempt to have filed under seal (in full or in part) pursuant to an order of the Bankruptcy Court, and to furnish a copy of this Agreement to the Office of the United States Trustee for the Southern District of New York and such other parties in interest as may be necessary to obtain the required Bankruptcy Court approvals of this Agreement; provided that, unless otherwise ordered by the Bankruptcy Court, any copies of this Agreement may only be furnished pursuant to, and in compliance with, the terms of any sealing order regarding this Agreement that is entered by the Bankruptcy Court.

4. Compensation. The Company agrees to pay Jefferies:

(a) Upon the execution of, and entry of an order by the Bankruptcy Court approving, this Agreement, an engagement fee of [REDACTED] (the "Work Fee").

(b) In addition, upon the execution of, and entry of an order by the Bankruptcy Court approving, this Agreement, Jefferies shall be entitled to a monthly work fee (each, a "Monthly Work Fee" and collectively, the "Monthly Work Fees") of [REDACTED] per month during the duration of this engagement; provided, however, that (i) the total fees payable under subsections (a) and (b) of this paragraph 4 shall not exceed

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██████████, and (ii) the Work Fee and all Monthly Work Fees shall be creditable toward the Bank Debt Fee (as defined below) payable by the Company under this Agreement.

(c) In the event any definitive credit agreement is executed for any Bank Debt, Jefferies shall be entitled to a fee equal to ██████████ of the amount funded with respect to such Bank Debt payable upon the funding of such Bank Debt (the "Bank Debt Fee"); provided, however, if prior to such funding and prior to any termination of the commitment to fund by Jefferies or the lenders or expiration of the commitment and any available extensions pursuant to the terms of the credit agreement, (i) the Company refinances, replaces or otherwise enters into a new credit facility which results in the Bank Debt not being funded, then Jefferies shall be entitled to a fee equal to ██████████ of the maximum amount available under the Bank Debt or (ii) the Company sells all or substantially all of its assets then Jefferies shall be entitled to a fee equal to the lesser of (X) ██████████ of the sale proceeds to be distributed to the holder(s) of convertible preferred stock of LightSquared Inc. and (Y) ██████████ of the maximum amount available under the Bank Debt. For the avoidance of doubt, the Bank Debt Fee shall be in addition to the fees and expenses paid to lenders or purchasers of the Bank Debt.

(d) Notwithstanding the foregoing and anything to the contrary herein, each of Jefferies and the Company hereby agrees that a party other than the Company shall be liable for the payment of (i) any ticking fees necessary to maintain the funding commitment available until closing of the Transaction and (ii) upon the execution by the Company and applicable lenders of each definitive credit agreement and/or commitments with respect to any Bank Debt, a fee equal to ██████████ of the maximum principal amount available under the Bank Debt.

5. Expenses. In addition to any fees that may be paid to Jefferies hereunder, whether or not any Transaction occurs, the Company will reimburse Jefferies after receipt of an invoice therefor, for all reasonable out-of-pocket expenses (including reasonable fees and expenses of its counsel and, with the prior consent of the Company, the reasonable fees and expenses of any other independent experts retained by Jefferies), which, in no event, shall exceed ██████████ per month in the aggregate (the "Monthly Reimbursement Cap"). The Company will reimburse Jefferies upon the earlier of either the closing of the Transaction or the termination of this Agreement pursuant to Section 7 below, and after receipt of an invoice therefor, for all reasonable out-of-pocket expenses (including fees and expenses of its counsel and, with the prior consent of the Company, the fees and expenses of any other independent experts retained by Jefferies) in excess of the Monthly Reimbursement Cap that are incurred by Jefferies and its designated affiliates in connection with the Transaction contemplated hereunder.

6. Indemnification, etc. As further consideration under this Agreement, the Company shall indemnify and hold harmless each of Jefferies and each of its respective officers, directors, employees, agents, advisors, representatives, controlling persons, members and successors and assigns (each, an "Indemnified Person") from and against any and all losses, claims, damages, liabilities and expenses, joint or several, to which any such Indemnified Person may become subject arising out of or in connection with

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this Agreement, the Transaction, or any related transaction or any claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any such Indemnified Person is a party thereto (and regardless of whether such matter is initiated by a third party or by the Company or any of their affiliates or equity holders), and to reimburse each such Indemnified Person upon demand for any reasonable legal or other expenses incurred in connection with investigating or defending any of the foregoing, provided that the foregoing indemnity will not, as to any Indemnified Person, apply to losses, claims, damages, liabilities or related expenses to the extent they are found in a final, non-appealable judgment of a court of competent jurisdiction to have resulted primarily from the willful misconduct or gross negligence of such Indemnified Person. The terms and provisions of this paragraph 6 shall survive any termination or expiration of this Agreement. Neither Jefferies nor any of the Indemnified Persons, and none of you or any of your subsidiaries, affiliates or equity holders, shall be responsible or have any liability for any indirect, special or consequential damages arising out of or in connection with this Agreement or the transactions contemplated hereby, even if advised of the possibility thereof.

7. Termination. Jefferies' engagement hereunder will commence upon the execution of this Agreement by both the Company and Jefferies, and will continue until terminated by either party on five days' written notice to the other. Upon any termination of this Agreement, the rights and obligations of the parties hereunder shall terminate, except for the obligations set forth in Sections 3, 5, 6, and 10-16, which shall survive such termination; provided, however, notwithstanding any such termination, (a) Jefferies shall remain entitled to any fees due and payable on or before the date of such termination pursuant to Section 4 but not yet paid prior to such termination and (b) Jefferies shall be entitled to the full payment of all fees contemplated by Section 4(c) and (d) in the event a definitive credit agreement is entered into prior to such termination.

8. Exclusivity. During the term of this Agreement, the Company agrees that it will not, directly or indirectly, offer to borrow any Bank Debt, as applicable, solicit an offer to purchase or lend any Bank Debt, or otherwise contact or enter into a discussion with any other party in connection with the arrangement, lending or purchase of Bank Debt, other than through, or with the involvement of, Jefferies. In addition, and without limiting the foregoing, during the term of this Agreement, the Company will not, and will not permit any advisor or representative of the Company to engage any other party to perform any services or act in any capacity for which Jefferies has been engaged pursuant to this Agreement with respect to any potential Transaction without the prior written approval of Jefferies.

9. Disclaimer; Bankruptcy Court Approval.

(a) The Company acknowledges that Jefferies' direct parent, Jefferies Group LLC, is a full service financial institution engaged in a wide range of investment banking and other activities (including, but not limited to, investment management, corporate finance, securities underwriting, trading and research and brokerage activities). The Company also acknowledges that Jefferies Group LLC's ultimate parent, Leucadia

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National Corporation (collectively with its subsidiaries and affiliates (including Jefferies Group LLC), "Leucadia"), is a diversified holding company engaged through its consolidated subsidiaries in a variety of businesses, including, buying and selling companies and business lines and making strategic investments in other companies and businesses, in each case from which conflicting interests, or duties, may arise, and that Leucadia maintains certain officers, directors and employees who also perform the same or similar roles for Jefferies. Information that is held elsewhere within Leucadia, but of which none of the individuals in Jefferies' investment banking department involved in providing the services contemplated by this Agreement actually has (or without breach of internal procedures can properly obtain) knowledge, will not for any purpose be taken into account in determining Jefferies' responsibilities to the Company under this Agreement. Neither Jefferies nor any other part of Leucadia has or will have any duty to disclose to the Company or use for the Company's benefit any non-public information acquired in the course of providing services to any other party, engaging in any transaction (on its own account or otherwise) or otherwise carrying on its business. In addition, in the ordinary course of business, Leucadia may trade the securities of the Company and of potential participants in the Transaction for its own account and for the accounts of customers, and may at any time hold a long or short position in such securities. Jefferies recognizes its responsibility for compliance with federal securities laws and regulations in connection with such activities. Further, the Company acknowledges that from time to time Jefferies' research department may publish research reports or other materials, the substance and/or timing of which may conflict with the views or advice of the members of Jefferies' investment banking department, and may have an adverse effect on the Company's interests in connection with the Transaction or otherwise. Jefferies' investment banking department is managed separately from its research department, and does not have the ability to prevent such occurrences. Leucadia, its directors, officers and employees may also at any time invest on a principal basis or manage or advise funds that invest on a principal basis in any company that may be involved in the transactions contemplated hereby.

(b) The Company acknowledges and agrees that (i) Jefferies will act as an independent contractor hereunder, its responsibility is solely owed to the Company and contractual in nature, and Jefferies does not owe the Company, or any other person or entity (including, without limitation, any security holders, affiliates, creditors or employees of the Company), any fiduciary or similar duty as a result of its engagement hereunder or otherwise, (ii) Jefferies and its affiliates will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of or advice given by other parties who are providing services to the Company, (iii) Jefferies is not an advisor as to legal, tax, accounting or regulatory matters in any jurisdiction, (iv) the Company has consulted, and will consult, as appropriate, with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of this Agreement and the transactions contemplated hereby, and that Jefferies and its affiliates shall have no responsibility or liability with respect thereto, and (v) the Company is capable of evaluating the merits and risks of such

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transactions and the fees payable in connection therewith and that it understands and accepts the terms, conditions, and risks of such transactions and fees.

(c) In connection with any Transaction involving the offer and sale by the Company of any securities, (i) such sale, including the determination of the price of such securities, shall be an arm's-length commercial transaction between the Company and the other parties to a Transaction, (ii) Jefferies will not be the agent or fiduciary of the Company or its security holders, affiliates, creditors, employees or any other party, (iii) Jefferies shall not assume fiduciary responsibility in favor of the Company (irrespective of whether Jefferies has advised or is currently advising the Company on other matters) and Jefferies shall have no obligation to the Company with respect to the Transaction except as may be set forth herein or in a Definitive Agreement (as applicable), and (iv) the Company agrees that it will not hold Jefferies liable or responsible in the event that a Transaction is not successfully consummated, including but not limited to, as a result of an adverse change in the financial or securities markets, insufficient demand for instruments similar to the Bank Debt or lack of interest by investors in the Transaction.

(d) The Company shall use commercially reasonable efforts to obtain prompt approval of this Agreement, pursuant to section 363 of the Bankruptcy Code, from the Bankruptcy Court. Such approval shall incorporate all of the terms and conditions herein (explicitly including, but not limited to, the Company's acknowledgements and obligations set forth in Section 6) and shall bind the Company to such terms and conditions. The Company agrees that any such motion for approval and order to be entered by the Bankruptcy Court, will be subject to the prior approval of Jefferies in its reasonable sole and absolute discretion, and agree that this Agreement shall be null and void and Jefferies and the Company shall have no obligations hereunder unless a final non-appealable order, which is acceptable to Jefferies in its reasonable sole discretion, is entered by the Bankruptcy Court.

10. Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York.

11. Exclusive Jurisdiction. Except as set forth below, the parties agree that any dispute, claim or controversy directly or indirectly relating to or arising out of this Agreement, the termination or validity of this Agreement, any alleged breach of this Agreement, the engagement contemplated by this Agreement or the determination of the scope of applicability of this Agreement to this Section 11 (any of the foregoing, a "Claim") shall be commenced in the Bankruptcy Court (or, if the Bankruptcy Court does not have jurisdiction or declines jurisdiction, in the Commercial Division of the Supreme Court of the State of New York located in the City and County of New York or in the United States District Court for the Southern District of New York), which shall have exclusive jurisdiction over the adjudication of such matters and shall decide the merits of each Claim on the basis of the internal laws of the State of New York without regard to principles of conflicts of law. The Company and Jefferies agree and consent to personal jurisdiction, service of process and venue of such courts, waive all right to trial by jury for any claim and agree not to assert the defense of forum non-conveniens. The

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Company and Jefferies also agree that service of process may be effected through next-day delivery using a nationally-recognized overnight courier or personally delivered to the addresses set forth or referred to in Section 14 hereof. The Company shall pay all of Jefferies' reasonable costs and expenses (including, without limitation, reasonable fees and expenses of counsel) in an enforcement proceeding if the court in such proceeding determines that Jefferies is entitled to recover amounts due hereunder. The Company and Jefferies further agree that a final, non-appealable judgment in respect of any Claim brought in any such court shall be binding and may be enforced in any other court having jurisdiction over the party against whom the judgment is sought to be enforced.

12. Payments. All payments to be made to Jefferies hereunder shall be non-refundable and made in cash by wire transfer of immediately available U.S. funds. The Company's obligation to pay any fee or expense set forth herein shall be absolute and unconditional and shall not be subject to reduction by way of setoff, recoupment or counterclaim.

13. Announcements, etc. The Company agrees that Jefferies may, following consummation of a Transaction, describe the Transaction in any form of media or in Jefferies' marketing materials, stating Jefferies' role and other material terms of the Transaction and using the Company's name and logo in connection therewith, subject to the Company's approval of such release for any information that has not been publicly disclosed, which approval not to be unreasonably withheld. The Company agrees that any press release it may issue announcing a Transaction will, at Jefferies' request, contain a reference to Jefferies' role in connection with the Transaction in form and substance reasonably satisfactory to Jefferies.

14. Notices. Notice required to be given in writing pursuant to any of the provisions of this Agreement shall be mailed by next-day delivery using a nationally-recognized overnight courier or hand-delivered (a) if to the Company, at 10802 Parkridge Boulevard, Reston, VA 20191, Attention: General Counsel, with a copy to Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, NY 10005, Attention: Matthew S. Barr, Esq., and (b) if to Jefferies, at 520 Madison Avenue, New York, New York 10022, Attention: General Counsel.

15. Miscellaneous. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and may not be amended or modified except in writing signed by each party hereto. This Agreement may not be assigned by either party hereto without the prior written consent of the other, to be given in the sole discretion of the party from whom such consent is being requested. Any attempted assignment of this Agreement made without such consent shall be void and of no effect, at the option of the non-assigning party. This Agreement is solely for the benefit of the Company, Jefferies and, to the extent expressly set forth herein, the Indemnified Persons and no other party shall be a third party beneficiary to, or otherwise acquire or have any rights under or by virtue of, this Agreement; provided that Jefferies may, in the performance of its services hereunder, procure the services of other members of Leucadia (as defined above), which members shall be entitled to the benefits and subject to the

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terms of this Agreement. If any provision hereof shall be held by a court of competent jurisdiction to be invalid, void or unenforceable in any respect, or against public policy, such determination shall not affect such provision in any other respect nor any other provision hereof. Headings used herein are for convenience of reference only and shall not affect the interpretation or construction of this Agreement. This Agreement may be executed in facsimile or other electronic counterparts, each of which will be deemed to be an original and all of which together will be deemed to be one and the same document. This Agreement has been reviewed by each of the signatories hereto and its counsel. There shall be no construction of any provision against Jefferies because this Agreement was drafted by Jefferies, and the parties waive any statute or rule of law to such effect.

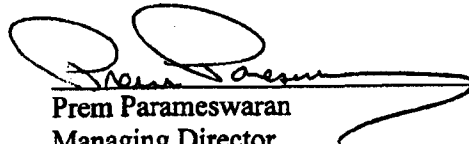
16. Patriot Act. Jefferies hereby notifies the Company that pursuant to the requirements of the USA PATRIOT Improvement and Reauthorization Act. Pub. L. N 109-177 (Mar. 9, 2006) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Company in a manner that satisfies the requirements of the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act.

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Please sign below and return to Jefferies to indicate the Company's acceptance of the terms set forth herein, and once executed by each of Jefferies and the Company, this Agreement shall constitute a binding agreement between the Company and Jefferies as of the date first written above.

Sincerely,

JEFFERIES LLC



Prem Parameswaran
Managing Director
Global Head of Media & Telecom

Accepted and Agreed:

LIGHTSQUARED INC., as debtor and debtor in possession,
On behalf of itself and its debtor subsidiaries

Name:
Title:

LIGHTSQUARED LP, as debtor and debtor in possession,
On behalf of itself and its debtor subsidiaries

Name:
Title: