

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

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

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

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

- (a) authorizing the use of Cash Collateral (within the meaning of section 363(a) of the Bankruptcy Code) of the Prepetition Secured Parties and providing adequate protection to the Prepetition Secured Parties for any diminution in value of their

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

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Initial Motion and the Amended Cash Collateral Order (as defined below), as applicable.



interests in the Prepetition Collateral, pursuant to sections 361, 362, and 363 of the Bankruptcy Code;

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

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

substantially similar terms as were then set forth in the Initial Cash Collateral Order in connection with that certain *Order Pursuant to 11 U.S.C. § 1121(d) Further Extending LightSquared's Exclusive Periods To File a Plan of Reorganization and Solicit Acceptances Thereof* [Docket No. 522] (the "Second Exclusivity Extension Order"); and the Court having entered the *Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 544] (as amended or modified, the "Amended Cash Collateral Order"); and the Prepetition LP Agent, on behalf of the Prepetition LP Lenders, and the Ad Hoc LP Secured Group having agreed to permit LightSquared to amend the Amended Cash Collateral Order to, among other things, continue to use the Prepetition LP Lenders' Cash Collateral through and including January 31, 2014 on substantially similar terms as were then set forth in the Amended Cash Collateral Order; and the Court having entered the *Order Amending Amended Agreed Final Order (A) Authorizing Debtors to Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 1118] (the "First Cash Collateral Extension Order"); and the Court having considered the Debtors' subsequent motion, submitted at the direction, and with the support, of the special committee of the boards of directors for LightSquared Inc. and LightSquared GP Inc., for an order (a) authorizing the LP DIP Obligors to obtain superpriority senior secured priming postpetition financing, (b) granting superpriority liens and providing superpriority administrative expense status, (c) granting adequate protection, and (d) modifying automatic stay [Docket No. 1237] (the "LP DIP Facility Motion") seeking, *inter alia*, entry of an order further amending the Amended Cash Collateral Order to, among other things, permit the LP Debtors to continue to use the Prepetition LP Lenders' Cash Collateral through and including April 15, 2014 on substantially similar terms as

currently set forth in the Amended Cash Collateral Order; and all objections, if any, to the relief requested in the LP DIP Facility Motion having been withdrawn, resolved, or overruled by the Court; and the Court having entered (a) that certain *Final Order (A) Authorizing LP DIP Obligors To Obtain Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1291] (the “Initial LP DIP Order”), (b) that certain *Final Order (A) Authorizing LP DIP Obligors To Obtain Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1476] (the “Replacement LP DIP Order”), (c) that certain *Final Order (A) Authorizing LP DIP Obligors To Obtain Second Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1614] (the “Second Replacement LP DIP Order”); (d) that certain *Final Order (A) Authorizing LP DIP Obligors To Obtain Third Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1639] (the “Third Replacement LP DIP Order”); (e) that certain *Final Order (A) Authorizing LP DIP Obligors To Obtain Fourth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1668] (the “Fourth Replacement LP DIP Order”); (f) that certain *Final Order (A) Authorizing LP DIP*

Obligors To Obtain Fifth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay [Docket No. 1681] (the “Fifth Replacement LP DIP Order”); (g) that certain *Second Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 1292] (the “Second Cash Collateral Extension Order”), (h) that certain *Third Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 1477] (the “Third Cash Collateral Extension Order”), (i) that certain *Fourth Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 1580] (the “Fourth Cash Collateral Extension Order”), (j) that certain *Fifth Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 1615] (the “Fifth Cash Collateral Extension Order”), (k) that certain *Sixth Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 1638] (the “Sixth Cash Collateral Extension Order”), (l) that certain *Seventh Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay* [Docket No. 1667] (the “Seventh Cash Collateral Extension Order”), and (m) that certain *Eighth Order Amending Amended Agreed Final Order (A) Authorizing Debtors To Use Cash*

Collateral, (B) Granting Adequate Protection to Prepetition Secured Parties, and (C) Modifying Automatic Stay [Docket No. 1682] (the “Eighth Cash Collateral Extension Order” and, collectively with the First Cash Collateral Extension Order, the Second Cash Collateral Extension Order, the Third Cash Collateral Extension Order, the Fourth Cash Collateral Extension Order, the Fifth Cash Collateral Extension Order, the Sixth Cash Collateral Extension Order, and the Seventh Cash Collateral Extension Order, the “Cash Collateral Extension Orders”); and the Court having entered on a date even herewith that certain *Final Order (A) Authorizing LP DIP Obligors To Obtain Sixth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* (the “Sixth Replacement LP DIP Order”); and the Prepetition LP Agent, on behalf of the Prepetition LP Lenders, and the Ad Hoc LP Secured Group having agreed to permit LightSquared to amend the Amended Cash Collateral Order to, among other things, continue to use the Prepetition LP Lenders’ Cash Collateral through and including November 15, 2014 on substantially similar terms as currently set forth in the Amended Cash Collateral Order, as modified by the Cash Collateral Extension Orders and the terms set forth herein (this “Order”); and it appearing to the Court that entry of the Order is fair and reasonable and in the best interests of the Debtors, their estates, and their stakeholders, and is essential for the continued management of the Debtors’ businesses; and after due deliberation and consideration, and for good and sufficient cause appearing therefor; it is hereby **ORDERED** that:

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

by this Order. For the avoidance of doubt, paragraph 25 of the Amended Cash Collateral Order shall read as follows:

“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 SP Special Opportunities, LLC, and approved by the Court after notice to parties in interest.”

2. The last sentence of paragraph F(ii) of the Amended Cash Collateral Order is hereby amended in its entirety as follows: “Notwithstanding anything to the contrary in this Amended Final Order, capital expenditure lines totaling \$2,380,000 may be used on an aggregate basis at any time until November 15, 2014.”

3. Paragraph 7 of the Amended Cash Collateral Order is hereby amended as follows: Section (d) of paragraph 7 is hereby amended by replacing the words “August 31, 2014” with the words “November 15, 2014.”

4. Paragraph 14 of the Amended Cash Collateral Order is hereby amended as follows:

- (a) The first sentence of section (f) of paragraph 14 is hereby amended by inserting the words “, the *Final Order (A) Authorizing LP DIP Obligors To Obtain Sixth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* (the “Sixth Replacement LP DIP Order”)” after the words “(the “Fifth Replacement LP DIP Order”),”;
- (b) Section (h) of paragraph 14 is hereby amended by (i) deleting the word “and” before the words “the Fifth Replacement LP DIP Order” and inserting “,” in lieu thereof, and (ii) inserting the words “and the Sixth Replacement LP DIP Order” after the words “the Fifth Replacement LP DIP Order”;

- (c) The first sentence of section (k) of paragraph 14 is hereby amended by (i) inserting “, and the *Notice of Presentment of Final Order (A) Authorizing LP DIP Obligors To Obtain Sixth Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* (the “Sixth Replacement LP DIP Facility Notice”)” following the words (“Fifth Replacement LP DIP Facility Notice”) and (ii) deleting the word “and” following the words “Other than the LP DIP Facility Motion (as defined in the LP DIP Order)” and inserting “,” in lieu thereof;
- (d) The first sentence of section (l) of paragraph 14 is hereby amended by (i) inserting the words “and the Sixth Replacement LP DIP Facility Notice” after the words “Fifth Replacement LP DIP Facility Notice” and (ii) deleting the word “and” before the words “Fifth Replacement LP DIP Facility Notice” and inserting “,” in lieu thereof; and
- (e) Section (n) of paragraph 14 is hereby amended by deleting the words “August 31, 2014.” and inserting the words “November 15, 2014.”

5. The Budget attached as Schedule 1 to the Eighth Cash Collateral Extension Order is hereby replaced in its entirety by the Budget attached hereto as Schedule 1. Notwithstanding anything to the contrary in the Amended Cash Collateral Order or the Cash Collateral Extension Orders, failure to comply with the Budget shall not constitute an LP Termination Event.

6. Upon entry of this Order, the LP Obligors shall not be required to pay the LP Adequate Protection Payment to the Prepetition LP Agent, for the benefit of the Prepetition LP Lenders, for the months of July 2014, August 2014, September 2014, October 2014, and November 2014; provided, however, that the LP Obligors shall pay, for the benefit of the Prepetition LP Lenders, all reasonable, actual, and documented fees and expenses of White & Case LLP and The Blackstone Group L.P. on the first Business Day of September 2014, October 2014, and November 2014 or as otherwise previously agreed to for the months of July 2014 and August 2014; provided, further, however, that payment of the LP Adequate Protection Payments for the months of July 2014, August 2014, September 2014, October 2014, and November 2014

shall not be deemed waived in the event that the Amended Cash Collateral Order is further extended, and such unpaid amounts shall be due and payable, and shall be paid, upon entry by this Court of an order approving any additional debtor-in-possession financing to the LP Obligors in these Chapter 11 Cases.

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

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

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

Dated: August 28, 2014
New York, New York

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

SCHEDULE 1

BUDGET

Sixth Replacement LP DIP Budget for September – November 2014⁽¹⁾

Dollars in thousands

Month		Sep-14	Oct-14	Nov-14
Beginning Cash Balance		335	(9,027)	(21,735)
<u>Sources</u>				
Uses (OPEX)	Satellite Revenue	1,279	1,481	1,497
	Interest Income	0	-	-
	Equity Financing	-	-	-
	Net Debt Financing	-	-	-
	Financing Fees	-	-	-
	Other	-	-	-
	Total Sources	1,279	1,481	1,497
	In-Orbit / Launch Insurance	-	-	2,339
	ISAT Coop Agmt	-	-	17,500
	Spectrum (NOAA)	-	-	-
Uses (CAPEX)	Staffing Related (entire company)	1,710	1,710	1,694
	Legal / Regulatory / Lobbying / International	1,245	1,583	954
	Facilities/Telecom	658	658	658
	G&A	336	471	1,629
	Travel Expenses (entire company)	50	50	50
	Boeing Related Expenses	212	637	212
	Other Items	858	636	795
	Subtotal - USES (OPEX)	5,069	5,744	25,830
	Boeing	1,400	-	-
	Qualcomm	-	-	-
Debt Service Restructuring Related	Alcatel Lucent S-BTS	-	-	-
	Current Network Maintenance / Capex	230	250	500
	Subtotal - USES (CAPEX)	1,630	250	500
	Cash Interest	-	-	-
	Restructuring Professionals	3,943	8,195	7,541
	LP Adequate Protection Payments ⁽²⁾	-	-	-
	Total Uses	10,642	14,189	33,871
	Net Uses (Total Sources - Total Uses)	(9,362)	(12,708)	(32,374)
	LP Group Ending Cash Balance (excl. Cash at TMI)	(9,027)	(21,735)	(54,109)
	TMI Ending Cash Balance	10,896	10,896	10,896

- (1) Projected payments
(2) Assumes no Adequate Protection Payments

