

Objection Deadline: February 24, 2015 at 4:00 p.m. (prevailing Eastern time)
Hearing Date (Only if Objection Filed): To Be Scheduled

Matthew S. Barr
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(212) 530-5000

Counsel to Debtors and Debtors in Possession

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

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

**NOTICE OF AMENDMENT TO LIGHTSQUARED'S
ENGAGEMENT OF ERNST & YOUNG LLP AS TAX AND
AGREED UPON PROCEDURES SERVICE PROVIDER**

PLEASE TAKE NOTICE that, on June 18, 2012, the Court entered the *Order*

Authorizing and Approving Employment and Retention of Ernst & Young LLP as Tax and

Agreed Upon Procedures Service Provider to the Debtors Nunc Pro Tunc to the Petition Date

[Docket No. 143], authorizing LightSquared Inc. and certain of its subsidiaries and affiliates, as debtors and debtors in possession (collectively, "LightSquared") in the above-captioned chapter

¹

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



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11 cases (the “Chapter 11 Cases”), to employ Ernst & Young LLP (“EY LLP”) as tax and agreed upon procedures service provider.

PLEASE TAKE FURTHER NOTICE that, on November 16, 2012, the Court entered the *Order Authorizing Modification of Scope of Employment and Retention of Ernst & Young LLP as Tax Service and Agreed Upon Procedures Service Provider* [Docket No. 420] (the “Expansion Order”).

PLEASE TAKE FURTHER NOTICE that, pursuant to paragraph 7 of the Expansion Order, LightSquared and the EY LLP are authorized to amend or modify LightSquared’s engagement of EY LLP upon fourteen (14) days’ notice to certain specified notice parties (the “Notice Parties”) and opportunity to object.

PLEASE TAKE FURTHER NOTICE that, in accordance with paragraph 7 of the Expansion Order, LightSquared has entered into: (a) a new statement of work for LightSquared Inc. tax compliance services for the year ended December 31, 2014 (the “2014 LightSquared Inc. Tax Compliance SOW”), attached hereto as Exhibit A, amending the scope of its engagement of EY LLP as of January 19, 2015, to include certain additional services; and (b) a new statement of work for LightSquared LP tax compliance services for the year ended December 31, 2014 (the “2014 LightSquared LP Tax Compliance SOW” and, together with the 2014 LightSquared Inc. Tax Compliance SOW, the “Amendment”), attached hereto as Exhibit B, amending the scope of its engagement of EY LLP as of January 19, 2015 to include certain additional services.

PLEASE TAKE FURTHER NOTICE that, in accordance with paragraph 7 of the Expansion Order, a copy of the Amendment is hereby provided to the Notice Parties upon fourteen (14) days’ notice and an opportunity to object. Responses or objections, if any, to the

Amendment must be made in writing, conform to the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of New York, set forth the basis for the objection and the specific grounds therefor, and be filed with the Bankruptcy Court (a) by registered users of the Bankruptcy Court's case filing system, electronically in accordance with General Order M-399 (which can be found at <http://nysb.uscourts.gov>) and (b) by all other parties in interest, in text-searchable portable document format (PDF) (with a hard copy delivered directly to Chambers), in accordance with the customary practices of the Bankruptcy Court and General Order M-399 and shall be served in accordance with General Order M-399 upon each of the following: (i) LightSquared Inc., 10802 Parkridge Boulevard, Reston, VA 20191, Attn: Marc R. Montagner and Curtis Lu, Esq., (ii) counsel to LightSquared, Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, NY 10005, Attn: Matthew S. Barr, Esq. and Karen Gartenberg, Esq., (iii) the Office of the United States Trustee for the Southern District of New York, U.S. Federal Office Building, 201 Varick Street, Suite 1006, New York, NY 10014, Attn: Susan D. Golden, Esq., (iv) counsel to U.S. Bank National Association, as administrative agent under the Prepetition Inc. Credit Agreement and administrative agent under the Inc. DIP credit agreement, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036, Attn: Philip C. Dublin, Esq. and Kenneth A. Davis, Esq., (v) counsel to Wilmington Savings Fund Society, FSB, as administrative agent under the Prepetition LP Credit Agreement, McDermott Will & Emery LLP, 340 Madison Avenue, New York, NY 10173, Attn: Darren Azman, Esq., (vi) counsel to the ad hoc secured group of Prepetition LP Lenders, White & Case LLP, 1155 Avenue of the Americas, New York, NY 10036, Attn: Thomas E. Lauria, Esq. and Glenn M. Kurtz, Esq., (vii) counsel to Harbinger Capital Partners, LLC, Kasowitz, Benson, Torres & Friedman LLP, 1633 Broadway, New York,

NY 10019, Attn: David M. Friedman, Esq. and Adam L. Shiff, Esq., and (viii) counsel to EY LLP, Foley & Lardner LLP, One Detroit Center, 500 Woodward Avenue, Suite 2700, Detroit, MI 48226-3489, Attn: John A. Simon, Esq., so as to be actually received no later than **February 24, 2015 at 4:00 p.m. (prevailing Eastern time)** (the “Objection Deadline”).

PLEASE TAKE FURTHER NOTICE that if a written objection to the Amendment is not received by the Objection Deadline, any opposition shall be deemed waived, and the Amendment shall take effect without any further notice, hearing, or further order of the Court.

PLEASE TAKE FURTHER NOTICE that if a written objection is filed and served by the Objection Deadline, LightSquared will schedule, and provide notice of, a hearing to consider the Amendment, along with any written objection timely received. Such hearing will take place at the United States Bankruptcy Court for the Southern District of New York, before the Honorable Shelley C. Chapman, United States Bankruptcy Judge, Alexander Hamilton Custom House, Courtroom No. 623, One Bowling Green, New York, NY 10004. The moving and objecting parties are required to attend the hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

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

Respectfully submitted,

New York, New York
Dated: February 10, 2015

/s/ Matthew S. Barr
Matthew S. Barr
Karen Gartenberg
MILBANK, TWEED, HADLEY & M^cCLOY LLP
One Chase Manhattan Plaza
New York, NY 10005-1413
(212) 530-5000

Counsel to Debtors and Debtors in Possession

Exhibit A

2014 LightSquared Inc. Tax Compliance SOW



Statement of Work - LightSquared, Inc. Tax Compliance for the Year Ended December 31, 2014

This Statement of Work (this "SOW") is made by Ernst & Young LLP ("we" or "EY") and LightSquared, Inc. on behalf of itself and its affiliated entities listed in Attachment I (collectively, "you" or "Client"), and is being executed pursuant to the Agreement, dated May 22, 2012 (the "Agreement"), between EY and LightSquared Inc. in connection with the filing of a petition under Chapter 11 of the United States Bankruptcy Code ("Chapter 11") on May 14, 2012 with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), and describes certain tax services that EY will perform for Client during the Chapter 11 proceedings. This SOW shall be effective as of January 19, 2015.

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. The additional terms and conditions of this SOW shall apply only to the tax compliance Services covered by this SOW and not to Services covered by any other Statement of Work pursuant to the Agreement. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings in the Agreement, and references in the Agreement to "you" or "Client" shall be deemed references to you.

Scope of Services

EY will provide the following tax compliance Services to you, contingent upon the Bankruptcy Court's approval of our retention in accordance with the terms and conditions that are set forth in the Agreement (inclusive of this SOW):

EY will prepare the consolidated U.S. Corporation Income Tax Return, Form 1120, for LightSquared Inc. & Subsidiaries for the year ended December 31, 2014. We will also prepare the state and local income and franchise tax returns for those jurisdictions for LightSquared Inc. & Subsidiaries listed on Attachment I to this letter.

We will prepare Forms 926 for LightSquared Investors Holdings Inc., TMI Communications Delaware, LP and LightSquared GP Inc., if required, for the transfer of property to LightSquared's foreign subsidiaries.

EY will prepare the U.S. federal income tax return, Form 1065, and the state income tax returns listed on Attachment I to this letter for the year ended December 31, 2014 for the following entity:

- TVCC One Six Holdings LLC

EY will also prepare extension requests for the corporate and partnership returns listed above as part of this engagement.



At the request of Client, upon execution of a letter substantially in the form of Exhibit 1 attached hereto in respect of each tax year for which access to such workpapers is sought, EY will provide Client with copies of EY's final workpapers, in a format regularly maintained by EY, produced by EY for purposes of preparing computations in connection with the following services under this letter:

- Extensions for returns listed above
- Originally filed returns listed above

Client may be required to file Schedule UTP ("Uncertain Tax Position Statement") with its federal tax return beginning with the 2010 tax year. Among other services, EY can assist you with a review of your financial statement reserve schedules to identify positions that might be subject to disclosure on Schedule UTP, discuss opportunities for remediating such positions, and provide assistance regarding implementation of Schedule UTP processes for current and future years. We will be happy to discuss and provide fee estimates for these services, which would be covered under a separate SOW.

The Services may be modified from time to time by our mutual written agreement and approval of the Bankruptcy Court, if required.

Client acknowledges and agrees that, whether or not this SOW has been approved by the Bankruptcy Court at the time any Report is rendered, any such Report rendered by EY prior to the delivery of its final Report is preliminary in nature and cannot be relied upon for any purpose, including penalty protection.

Upon written request and pre-approval, EY will assist Client with other tax compliance services, including preparation of additional returns for the current tax year, and extension requests and computation of estimated tax payments for subsequent tax years. However, these services are not covered under the fee quoted in this letter. We will be happy to discuss and provide fee estimates for such additional services, which would be invoiced separately and subject to all other terms and conditions of this SOW and the above-referenced Agreement.

All client copies of the tax return(s) and Schedules K-1 will be presented to Client in an electronic format.

This engagement does not include (1) an analysis of any shift in ownership of Client stock, (2) the preparation of statements required by Internal Revenue Code §§382 and 383, or (3) a determination of whether such code sections limit the amount of taxable income or tax that can be offset by net operating loss carryforwards, certain recognized built-in losses, certain excess credits, or net capital loss carryovers. The limitations under these provisions may have a material adverse impact on Client's tax liability. We will not prepare a return on which taxable income (or tax) is offset by such attributes unless an analysis is performed. Those services are covered under our Restructuring Advisory Services SOW dated May 22, 2012.



This engagement does not include any advice or determinations regarding what expenses may be qualified research expenses under Internal Revenue Code §41 or comparable state statutes.

Services related to tangible property regulations

Client may be required to file one or more Forms 3115 ("Application for Change in Accounting Method") and/or election statements with its federal tax return beginning with the 2014 tax year in order to implement the accounting method changes and elections required and/or provided by the final set of regulations commonly referred to as the "tangible property regulations."

EY will assist Client with evaluating the impact the regulations have on current tax accounting methods including identifying what accounting methods can or must be changed and which elections may be available for Client. As part of this evaluation, EY will use its TPR Organizer tool.

If one or more Forms 3115 and/or elections are to be filed with Client's 2014 tax return, EY will prepare the Form(s) 3115 based on information provided by Client and file the duplicate form(s) with the IRS according to the instructions provided in the relevant revenue procedure and/or prepare such election statements based on information provided by Client.

Any services to be provided under this SOW to assist Client with evaluating whether a Form 3115 or TPR election statement is needed or available and/or the preparation and processing of these forms and elections are in addition to our services in connection with the preparation of the tax returns for the tax year ended December 31, 2014 and will be billed in accordance with the rates in the fee section of this SOW. Any research on areas of non-compliance will be provided as agreed by the parties in writing (subject to audit committee pre-approval, if required), which will be billed as out of scope and subject to all other terms and conditions of this SOW and the above-referenced Agreement, or performed by Company personnel.

Among other services, EY can assist you with a lookback analysis, evaluating the adjustment available under section 481(a) for improvements and dispositions and provide assistance regarding implementation of the TPR regulations for current and future years as it relates to improvements and dispositions. We will be happy to discuss and provide fee estimates for these services, which would be covered under a separate SOW.

Your obligations

We draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the Agreement, as well as your management responsibilities under paragraph 6, and your representation, as of the date hereof, under paragraph 26 thereof. You have obtained the prior approval of your Audit Committee for these Services, as applicable.



Additional terms and conditions

Unless you indicate otherwise, we will check the box on your returns, when the option is available, indicating that the taxing authorities can discuss the return directly with the EY preparer who signed it. These discussions are limited to certain issues related to the processing of the returns. Interactions with taxing authorities beyond the scope of processing issues may require a Power of Attorney that must be signed by you. Any services that may be performed under this arrangement are subject to the terms and conditions of this SOW but are not considered covered under the fee quoted for the preparation of your return(s) and therefore will be billed separately. If you prefer that this box not be checked, please contact your EY tax professional.

Client authorizes EY, its affiliates, and other members of the global Ernst & Young network, including those located outside the United States, to disclose Client's tax return information received or generated in connection with the Services described in this SOW, including prior year tax return information, to and among each other for the purpose of rendering the Services, discussing and providing related services to you (including bringing to your attention planning opportunities we may identify based upon the preparation and/or review of your tax returns), and conducting quality reviews and reviews of compliance with EY policies and professional standards. You have the ability to request a more limited disclosure of tax return information than that described above. If, at any time, you would like us to narrow the scope of the information to be disclosed, please contact us in writing and we will limit any disclosures that have not yet occurred. You acknowledge that this consent will be valid for three years from the date this SOW is signed by you below.

We may access tax information relating to you that is posted by governmental entities, partnerships, or others in order to provide tax services to you, in cases where we determine that it would be efficient for us to do so. However, you remain responsible for making sure that you have provided us with all relevant information to support our provision of tax services. If we are preparing returns for you, this includes either providing us with all required Forms 1099-G, Schedules K-1, and other tax forms made available to you, or informing us specifically that such forms should be obtained online. While we may access such forms online for purposes of convenience, we are not responsible for identifying such forms, nor are we responsible for collecting any particular form on your behalf unless you have specifically requested that we do so and we have agreed.

If the Services are subject to the audit committee pre-approval requirements of the SEC and/or the PCAOB, this SOW will not be effective until the later of (1) the execution of this SOW or (2) the approval of your Audit Committee (or a duly authorized representative of your Audit Committee).

Disclosure of reportable transactions

Treasury regulations require taxpayers to file disclosure statements relating to certain tax strategies/transactions that the Internal Revenue Service ("IRS") has identified as Listed



Transactions or Transactions of Interest, any transaction that is substantially similar to a Listed Transaction or Transaction of Interest, and Other Reportable Transactions. The disclosure statements must be filed with the proper tax returns and also sent separately to the IRS. In addition, some states have enacted tax shelter legislation requiring taxpayers to file reportable transaction disclosure statements with the appropriate state income and franchise tax returns. Failure to disclose properly any of these transactions/strategies in which Client directly or indirectly participated may result in the imposition of penalties.

During the process of gathering data to prepare Client's tax return(s), EY requires Client to complete the Reportable Transaction Questionnaire, which is attached to this SOW. If there is a particular person other than you who should respond to such questionnaire on behalf of Client, please immediately provide to EY that person's name, position, and telephone number. EY shall not be liable for any penalties resulting from Client's failure to accurately and timely respond to the questionnaire or to timely file the required disclosure statements.

Contacts

You have identified Stuart Statland as your contact with whom we should communicate about these Services. Your contact at EY for these Services will be Mike Warsaw and Val Franks.

Engagement Team

Mike Warsaw (Partner) and Val Franks (Senior Manager) will lead the EY team in providing the Services. If either of these individuals ceases to provide tax services to Client pursuant to the Agreement, EY will so advise Client and, if that person is replaced, provide Client with the name of the professional's replacement. Other staff, not identified herein, may be utilized as required to conduct our work in an efficient manner.

Fees

The General Terms and Conditions of the Agreement address our fees and expenses generally. You shall pay fees for the Services, which fees are based on the time that our professionals spend performing them, as adjusted annually while the Services under this SOW are being performed. The rates, by level of tax professional, are as follows:

Title	Rate Per Hour
Partner/Principal	\$750 - 880
Executive Director	\$620 - 775
Manager/Senior Manager	\$510 - 700
Senior	\$305 - 475
Staff	\$150 - 260



Building a better
working world

You shall also pay any potential value-added taxes (VAT), sales taxes, and other indirect taxes incurred in connection with the delivery of the Services, including any such taxes and related administrative costs that result from billing arrangements specifically requested by you.

EY's fees for the Services related to the preparation and processing of the Form 3115, Application for Change in Accounting Method, required in order to implement the tangible property regulations will be outlined under a separate SOW if requested.

We will submit an itemized and detailed billing statement, and we will request payment of our fees and expenses, in accordance with the United States Bankruptcy Code (the "Bankruptcy Code"), the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Local Rules for the United States Bankruptcy Court for the Southern District of New York ("Local Rules") and any relevant administrative orders. We will submit our invoices as the work progresses and payment of them will be made upon receipt, or as quickly as the Bankruptcy Code, the Bankruptcy Rules, Local Rules and any relevant administrative orders allow.

We acknowledge that payment of our fees and expenses hereunder is subject to (i) the jurisdiction and approval of the Bankruptcy Court under Sections 330 and 331 of the Bankruptcy Code, any order of the Bankruptcy Court approving the retention of us and the U.S. Trustee Guidelines, (ii) any applicable fee and expense guidelines and/or orders and (iii) any requirements governing interim and final fee applications.

Client, on behalf of itself and its affiliates, hereby agrees that it shall be responsible to pay the fees and expenses of EY under the SOW according to any allocation among such entities established pursuant to the order of the Bankruptcy Court approving EY's retention under the Agreement and otherwise subject to applicable requirements of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules of Bankruptcy Procedure for the Bankruptcy Court, the United States Trustee Fee Guidelines, and such other procedures as may be fixed by order of the Bankruptcy Court.

Thanks again for the selection of our firm.

Ernst + Young LLP

Agreed:

LightSquared, Inc. on behalf of itself and its affiliates listed in Attachment I

By:

Signature

Name (Printed)

Title

Date



Attachment I

List of State and Local Income and Franchise Tax Returns by Entity
For the Year Ended December 31, 2014

1. LightSquared Inc. & Subsidiaries
 - Arizona Corporation Income Tax Return
 - Alaska Corporation Net Income Tax Return
 - California Franchise/Income Tax Return
 - Colorado State C Corporation Income Tax Combined Return
 - Illinois Corporation Income and Replacement Tax Return
 - Kansas Corporation Income Tax Return
 - Kentucky Corporation Income Tax Return
 - Massachusetts Combined Business Corp. Excise Return
 - Minnesota Corporation Franchise Tax
 - Nebraska Corporation Income Tax Return
 - New York General Business Corporation Combined Franchise Tax Return
 - New York State General Corporation MTA Surcharge Return
 - Oregon Corporation Income Tax Return
 - Texas Franchise Tax Report
 - Utah Corporation Franchise or Income Tax Return
 - Virginia Corporation Income Tax Return
 - Wisconsin Corporation Franchise and Income Tax
2. LightSquared Investors Holdings Inc.
 - Arkansas Corporation Income Tax Return
 - Florida Corporation Income and Emergency Excise Tax Return
 - Louisiana Corporate Income and Franchise Tax Return
 - Maryland Corporate Income Tax Return
 - Mississippi Corporation Income Tax Return
 - Missouri Corporation Income Tax Return
 - Oklahoma Corporation Income Tax Return
 - Pennsylvania Corporate Tax Return
 - South Carolina Corporation Return
3. TMI Communications Delaware, Limited Partnership
 - Arkansas Corporation Income Tax Return
 - Florida Corporation Income and Emergency Excise Tax Return
 - Louisiana Corporate Income and Franchise Tax Return
 - Maryland Corporate Income Tax Return
 - Mississippi Corporation Income Tax Return
 - Missouri Corporation Income Tax Return
 - Oklahoma Corporation Income Tax Return



- Pennsylvania Corporate Tax Return
 - South Carolina Corporation Return
4. One Dot Six Corp.
- Up to 46 state returns (including separate or consolidated/unitary) as later agreed upon in writing by Client
5. TVCC One Six Holdings LLC
- Virginia Income Tax Return

Entities with No Separate Income and Franchise Tax Returns

6. One Dot Four Corp.
7. One Dot Six TVCC Corp.
8. TVCC Intermediate Corp.
9. Columbia One Six Partners IV, Inc.
10. Columbia FMS Spectrum Partners IV, Inc.
11. CCMM I LLC
12. LightSquared GP Inc.

Exhibit B

2014 LightSquared LP Tax Compliance SOW



Statement of Work - LightSquared LP Tax Compliance for the Year Ended December 31, 2014

This Statement of Work (this "SOW") is made by Ernst & Young LLP ("we" or "EY") and LightSquared LP on behalf of itself and its affiliated entities listed in Attachment I (collectively, "you" or "Client"), and is being executed pursuant to the Agreement, dated May 22, 2012 (the "Agreement"), between EY and LightSquared Inc. in connection with the filing of a petition under Chapter 11 of the United States Bankruptcy Code ("Chapter 11") on May 14, 2012 with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), and describes certain tax services that EY will perform for Client during the Chapter 11 proceedings. This SOW shall be effective as of January 19, 2015.

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. The additional terms and conditions of this SOW shall apply only to the tax compliance Services covered by this SOW and not to Services covered by any other Statement of Work pursuant to the Agreement. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings in the Agreement, and references in the Agreement to "you" or "Client" shall be deemed references to you.

Scope of Services

EY will provide the following tax compliance Services to you (the "Services"), contingent upon the Bankruptcy Court's approval of our retention in accordance with the terms and conditions that are set forth in the Agreement (inclusive of this SOW):

1. Prepare U.S. federal income tax return, Form 1065, for LightSquared LP for the year ended December 31, 2014. We will also prepare the state and local income, franchise and property tax returns for those jurisdictions for LightSquared LP listed on Attachment I to this letter.

The specific services we will provide as part of this engagement include:

- Extension requests
 - Federal Forms 5471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations for: LightSquared Bermuda Ltd.; SkyTerra Holdings (Canada) Inc.; LightSquared (UK) Limited; and SkyTerra (Canada) Inc.
2. U.S. federal income tax return, Form 1120, for LightSquared Inc. of Virginia for the year ended December 31, 2014. We will prepare the state and local income and franchise tax returns listed on Attachment I to this letter.



The specific services we will provide as part of this engagement include:

- Extension requests
3. U.S. federal income tax return, Form 1120, for LightSquared Finance Co. for the year ended December 31, 2014. We will prepare the state and local income and franchise tax returns listed on Attachment I to this letter.

The specific services we will provide as part of this engagement include:

- Extension requests
4. Canadian federal income tax return and related provincial (Ontario & Saskatchewan) tax return schedules for the year ended December 31, 2014 the entities listed below (no extensions available in Canada):
- a. SkyTerra (Canada) Inc.
 - b. SkyTerra Holdings (Canada) Inc.
 - c. LightSquared Corp

At the request of Client, upon execution of a letter substantially in the form of Attachment 1 attached hereto in respect of each tax year for which access to such workpapers is sought, EY will provide Client with copies of EY's final workpapers, in a format regularly maintained by EY, produced by EY for purposes of preparing computations in connection with the following services under this letter:

- Extensions for returns listed above
- Originally filed returns listed above

Client may be required to file Schedule UTP ("Uncertain Tax Position Statement") with its federal tax return beginning with the 2010 tax year. Among other services, EY can assist you with a review of your financial statement reserve schedules to identify positions that might be subject to disclosure on Schedule UTP, discuss opportunities for remediating such positions, and provide assistance regarding implementation of Schedule UTP processes for current and future years. We will be happy to discuss and provide fee estimates for these services, which would be covered under a separate SOW.

The Services may be modified from time to time by our mutual written agreement and approval of the Bankruptcy Court, if required.

Client acknowledges and agrees that, whether or not this SOW has been approved by the Bankruptcy Court at the time any Report is rendered, any such Report rendered by EY prior to the delivery of its final Report is preliminary in nature and cannot be relied upon for any purpose, including penalty protection.



Upon written request and pre-approval, EY will assist Client with other tax compliance services, including preparation of additional returns for the current tax year, and extension requests and computation of estimated tax payments for subsequent tax years. However, these services are not covered under the fee quoted in this letter. We will be happy to discuss and provide fee estimates for such additional services, which would be invoiced separately and subject to all other terms and conditions of this SOW and the above-referenced Agreement.

All client copies of the tax return(s) and Schedules K-1 will be presented to Client in an electronic format.

This engagement does not include (1) an analysis of any shift in ownership of Client stock, (2) the preparation of statements required by Internal Revenue Code §§382 and 383, or (3) a determination of whether such code sections limit the amount of taxable income or tax that can be offset by net operating loss carryforwards, certain recognized built-in losses, certain excess credits, or net capital loss carryovers. The limitations under these provisions may have a material adverse impact on Client's tax liability. We will not prepare a return on which taxable income (or tax) is offset by such attributes unless an analysis is performed. Those services are covered under our Restructuring Advisory Services SOW dated May 22, 2012.

This engagement does not include any advice or determinations regarding what expenses may be qualified research expenses under Internal Revenue Code §41 or comparable state statutes.

Services related to tangible property regulations

Client may be required to file one or more Forms 3115 ("Application for Change in Accounting Method") and/or election statements with its federal tax return beginning with the 2014 tax year in order to implement the accounting method changes and elections required and/or provided by the final set of regulations commonly referred to as the "tangible property regulations."

EY will assist Client with evaluating the impact the regulations have on current tax accounting methods including identifying what accounting methods can or must be changed and which elections may be available for Client. As part of this evaluation, EY will use its TPR Organizer tool.

If one or more Forms 3115 and/or elections are to be filed with Client's 2014 tax return, EY will prepare the Form(s) 3115 based on information provided by Client and file the duplicate form(s) with the IRS according to the instructions provided in the relevant revenue procedure and/or prepare such election statements based on information provided by Client.

Any services to be provided under this SOW to assist Client with evaluating whether a Form 3115 or TPR election statement is needed or available and/or the preparation and processing of these forms and elections are in addition to our services in connection with the preparation of the tax



returns for the tax year ended December 31, 2014 and will be billed in accordance with the rates in the fee section of this SOW. Any research on areas of non-compliance will be provided as agreed by the parties in writing (subject to audit committee pre-approval, if required), which will be billed as out of scope and subject to all other terms and conditions of this SOW and the above-referenced Agreement, or performed by Company personnel.

Among other services, EY can assist you with a lookback analysis, evaluating the adjustment available under section 481(a) for improvements and dispositions and provide assistance regarding implementation of the TPR regulations for current and future years as it relates to improvements and dispositions. We will be happy to discuss and provide fee estimates for these services, which would be covered under a separate SOW.

Your obligations

We draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the Agreement, as well as your management responsibilities under paragraph 6, and your representation, as of the date hereof, under paragraph 26 thereof. You have obtained the prior approval of your Audit Committee for these Services, as applicable.

Additional terms and conditions

Unless you indicate otherwise, we will check the box on your returns, when the option is available, indicating that the taxing authorities can discuss the return directly with the EY preparer who signed it. These discussions are limited to certain issues related to the processing of the returns. Interactions with taxing authorities beyond the scope of processing issues may require a Power of Attorney that must be signed by you. Any services that may be performed under this arrangement are subject to the terms and conditions of this SOW but are not considered covered under the fee quoted for the preparation of your return(s) and therefore will be billed separately. If you prefer that this box not be checked, please contact your EY tax professional.

Client authorizes EY, its affiliates, and other members of the global Ernst & Young network, including those located outside the United States, to disclose Client's tax return information received or generated in connection with the Services described in this SOW, including prior year tax return information, to and among each other for the purpose of rendering the Services, discussing and providing related services to you (including bringing to your attention planning opportunities we may identify based upon the preparation and/or review of your tax returns), and conducting quality reviews and reviews of compliance with EY policies and professional standards. You have the ability to request a more limited disclosure of tax return information than that described above. If, at any time, you would like us to narrow the scope of the information to be disclosed, please contact us in writing and we will limit any disclosures that have not yet occurred. You acknowledge that this consent will be valid for three years from the date this SOW is signed by you below.



We may access tax information relating to you that is posted by governmental entities, partnerships, or others in order to provide tax services to you, in cases where we determine that it would be efficient for us to do so. However, you remain responsible for making sure that you have provided us with all relevant information to support our provision of tax services. If we are preparing returns for you, this includes either providing us with all required Forms 1099-G, Schedules K-1, and other tax forms made available to you, or informing us specifically that such forms should be obtained online. While we may access such forms online for purposes of convenience, we are not responsible for identifying such forms, nor are we responsible for collecting any particular form on your behalf unless you have specifically requested that we do so and we have agreed.

If the Services are subject to the audit committee pre-approval requirements of the SEC and/or the PCAOB, this SOW will not be effective until the later of (1) the execution of this SOW or (2) the approval of your Audit Committee (or a duly authorized representative of your Audit Committee).

Disclosure of reportable transactions

Treasury regulations require taxpayers to file disclosure statements relating to certain tax strategies/transactions that the Internal Revenue Service ("IRS") has identified as Listed Transactions or Transactions of Interest, any transaction that is substantially similar to a Listed Transaction or Transaction of Interest, and Other Reportable Transactions. The disclosure statements must be filed with the proper tax returns and also sent separately to the IRS. In addition, some states have enacted tax shelter legislation requiring taxpayers to file reportable transaction disclosure statements with the appropriate state income and franchise tax returns. Failure to disclose properly any of these transactions/strategies in which Client directly or indirectly participated may result in the imposition of penalties.

During the process of gathering data to prepare Client's tax return(s), EY requires Client to complete the Reportable Transaction Questionnaire, which is attached to this SOW. If there is a particular person other than you who should respond to such questionnaire on behalf of Client, please immediately provide to EY that person's name, position, and telephone number. EY shall not be liable for any penalties resulting from Client's failure to accurately and timely respond to the questionnaire or to timely file the required disclosure statements.

Contacts

You have identified Stuart Statland as your contact with whom we should communicate about these Services. Your contact at EY for these Services will be Mike Warsaw and Val Franks.

Engagement Team



Mike Warsaw (Partner) and Val Franks (Senior Manager) will lead the EY team in providing the Services. If either of these individuals ceases to provide tax services to Client pursuant to the Agreement, EY will so advise Client and, if that person is replaced, provide Client with the name of the professional's replacement. Other staff, not identified herein, may be utilized as required to conduct our work in an efficient manner.

Fees

The General Terms and Conditions of the Agreement address our fees and expenses generally.

You shall pay fees for the Services, which fees are based on the time that our professionals spend performing them, as adjusted annually while the Services under this SOW are being performed. The rates, by level of tax professional, are as follows:

<u>Title</u>	<u>Rate Per Hour</u>
Partner/Principal	\$750 - 880
Executive Director	\$620 - 775
Manager/Senior Manager	\$510 - 700
Senior	\$305 - 475
Staff	\$150 - 260

You shall also pay any potential value-added taxes (VAT), sales taxes, and other indirect taxes incurred in connection with the delivery of the Services, including any such taxes and related administrative costs that result from billing arrangements specifically requested by you.

We will submit an itemized and detailed billing statement, and we will request payment of our fees and expenses, in accordance with the United States Bankruptcy Code (the "Bankruptcy Code"), the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Local Rules for the United States Bankruptcy Court for the Southern District of New York ("Local Rules") and any relevant administrative orders. We will submit our invoices as the work progresses and payment of them will be made upon receipt, or as quickly as the Bankruptcy Code, the Bankruptcy Rules, Local Rules and any relevant administrative orders allow.

We acknowledge that payment of our fees and expenses hereunder is subject to (i) the jurisdiction and approval of the Bankruptcy Court under Sections 330 and 331 of the Bankruptcy Code, any order of the Bankruptcy Court approving the retention of us and the U.S. Trustee Guidelines, (ii) any applicable fee and expense guidelines and/or orders and (iii) any requirements governing interim and final fee applications.

Client, on behalf of itself and its affiliates, hereby agrees that it shall be responsible to pay the fees and expenses of EY under the SOW according to any allocation among such entities established pursuant to the order of the Bankruptcy Court approving EY's retention under the



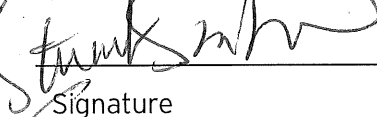
Agreement and otherwise subject to applicable requirements of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules of Bankruptcy Procedure for the Bankruptcy Court, the United States Trustee Fee Guidelines, and such other procedures as may be fixed by order of the Bankruptcy Court.

Thanks again for the selection of our firm.

Ernst + Young LLP

Agreed:

LightSquared LP on behalf of itself and its affiliates listed in Attachment I

By:  STUART STATLAND VP Tax 1-29-2015

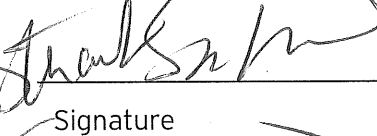
Signature

Name (Printed)

Title

Date

SkyTerra Holdings (Canada) Inc.

By: 

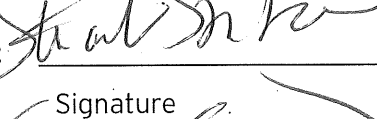
Signature

Name (Printed)

Title

Date

SkyTerra (Canada) Inc.

By: 

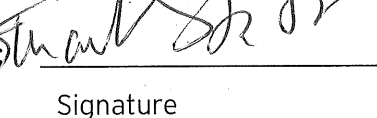
Signature

Name (Printed)

Title

Date

LightSquared Corp.

By: 

Signature

Name (Printed)

Title

Date

Attachments



Attachment I

List of State and Local Income and Franchise Tax Returns by Entity
For the Year Ended December 31, 2014

1. LightSquared LP

- Alaska Partnership Income Tax Return
- Arkansas Partnership Income Tax Return
- California Partnership Return of Income
- Colorado Partnership Return of Income
- Florida Partnership Information Return
- Illinois Partnership Replacement Tax Return
- Kansas Partnership or S Corp Income Tax Return
- Louisiana Partnership Return of Income
- Maryland Pass-Through Entity Income Tax Return
- Massachusetts Partnership Return of Income
- Missouri Partnership Return of Income
- Nebraska Partnership Return of Income
- New York Partnership Return
- Oklahoma Partnership Income Tax Return
- Oklahoma Business Activity Tax Return
- Pennsylvania Partnership Information Return
- South Carolina Partnership Return of Income
- Utah Partnership Return of Income
- Virginia Pass-Through Entity Return of Income
- Virginia Corporation Income Tax Return for Telecommunication Companies
- Virginia Personal Property Tax Return

2. LightSquared Inc. of Virginia

- Virginia Corporation Income Tax Return

3. LightSquared Finance Co.

- Virginia Corporation Income Tax Return



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4. Property Tax Returns

- Virginia Annual Property Statement for LightSquared LP which includes all property owned by LightSquared LP located within Virginia. Regardless of whether property is owned, this return is required to be filed by all telephone companies registered with the State Corporation Commission.
- Virginia Annual Property Statement for LightSquared Inc. of Virginia which includes all property owned by LightSquared Inc. of Virginia located in Virginia. Regardless of whether property is owned, this return is required to be filed for all telephone companies registered with the State Corporation Commission.
- Maryland Annual Property Statement for LightSquared LP and LightSquared Network LLC (includes all property owned by LightSquared LP or LightSquared Network LLC located in Maryland). Regardless of whether property is owned, this return must be filed with the State Department of Assessments and Taxation in order to maintain their business license.
- California Property Tax Return for Property at 961 Anselmo CT, Napa, CA 94558
- Texas Property Tax Return for Property at 777 Westar Lane, Cedar Hill, TX
- Texas Property Tax Return for Property at 8181 Jetstar Drive, Ste 130, Irving, TX