Docket #0892 Date Filed: 10/1/2013

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

ORDER (A) ESTABLISHING BID PROCEDURES, (B) SCHEDULING DATE AND TIME FOR AUCTION, (C) APPROVING ASSUMPTION AND ASSIGNMENT PROCEDURES, (D) APPROVING FORM OF NOTICE, AND (E) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of LightSquared Inc. and certain of its affiliates, as debtors and debtors in possession (collectively, "LightSquared" or the "Debtors")[3] in the above-captioned chapter 11 cases (the "Chapter 11 Cases"), for entry of an order (the "Order"), pursuant to sections 105, 503, 507, 1123, and 1129 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the "Bankruptcy Code"), Rules 2002, 6004, 6006, 9007, 9008, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Rules 6004-1, 6006-1, and 9006-1 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the "Local Rules"), and General Order M-383 of the United States

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

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion or the Bid Procedures, as applicable.

[3] For the avoidance of doubt, any decision to be made, or action to be taken, by LightSquared under the Bid Procedures, the Auction, and any resulting Sale, shall be made or taken at the direction of the independent committee of LightSquared's board of directors.

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Bankruptcy Court for the Southern District of New York ("General Order M-383"), (i) establishing the proposed bid procedures (the "Bid Procedures") for the sale(s) (the "Sale") of all or substantially all of the assets of LightSquared, or any grouping or subset thereof, including authorizing LightSquared to grant bidder protections in connection with the Sale; (ii) authorizing and scheduling a date and time to hold an auction (the "Auction") to solicit higher or otherwise better bids for LightSquared's assets; (iii) approving assumption and assignment procedures (the "Assumption and Assignment Procedures"); (iv) approving the form and manner of notice (the "Sale Notice") with respect to the Sale and the Auction; and (v) granting related relief, all as more fully set forth in the Motion; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the Amended Standing Order of Reference Re: Title 11, dated January 31, 2012 (Preska, C.J.); and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and the Motion in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Motion appearing adequate and appropriate under the circumstances; and the Court having found that no other or further notice is needed or necessary; and the ad hoc secured group of Prepetition LP Lenders (the "Ad Hoc Secured Group") having timely filed a motion for entry of an order establishing certain other bid procedures and granting related relief [Docket No. 809] (the "Ad Hoc Secured Group Motion"); and U.S. Bank National Association ("U.S. Bank") and MAST Capital Management, LLC (on behalf of itself and its management funds and accounts collectively, "MAST") having timely filed a motion for entry of an order establishing certain other bid procedures and granting related relief [Docket No. 834] (the "U.S. Bank/MAST Motion" and, together with the Ad Hoc Secured Group Motion, the "Lender Motions"); and the Ad Hoc Secured Group having timely filed an objection to the Motion [Docket No. 850] (the

"Ad Hoc Secured Group Objection"); and U.S. Bank and MAST having timely filed an objection to the Motion [Docket No. 844] (the "U.S. Bank/MAST Objection" and, together with the Ad Hoc Secured Group Objection, the "Lender Objections"); and the ad hoc group of holders of, advisors or affiliates of advisors to holders of, or managers of various accounts that hold Series A Preferred Units of LightSquared LP (the "Ad Hoc Preferred LP Group") having timely filed a statement with respect to the Bid Procedures Motions [Docket No. 842] (the "Statement"); and objections to the Ad Hoc Secured Group Motion and U.S. Bank/MAST Motion having been timely filed by (i) LightSquared [Docket No. 847], (ii) SIG Holdings, Inc. [Docket No. 849], (iii) Centaurus Capital LP [Docket No. 848], and (iv) Harbinger Capital Partners, LLC [Docket No. 845] (together, the "Stakeholder Objections"); and the Ad Hoc Secured Group having timely filed an omnibus reply to the Stakeholder Objections [Docket No. 863] (the "Ad Hoc Secured Group Reply"); and LightSquared having timely filed an omnibus reply to the objections to the Motion [Docket No. 864] (the "LightSquared Reply" and, together with the Ad Hoc Secured Group Reply, the "Replies"); and the Court having reviewed the Motion, the Lender Motions, the Stakeholder Objections, the Lender Objections, the Statement, and the Replies and having heard statements in support of the Motion at a hearing held before the Court on September 24, 2013 and a hearing held before the Court on September 30, 2013 (collectively, the "Hearing"); and LightSquared having modified the Order in response to the Lender Motions, the Stakeholder Objections, the Lender Objections, the Statement, the Replies, and all other issues raised at the Hearing; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and it appearing, and the Court having found, that the relief granted by this Order is in the best interests of LightSquared, its estates, its creditors, and other parties in interest; and any objections to the relief requested in

the Motion having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED THAT:[4]

A. **Bid Procedures.** The Bid Procedures, in the form annexed hereto as Schedule 1 and incorporated herein by reference, are fair, reasonable, and appropriate under the circumstances and are designed to maximize recovery on, and realizable value of, LightSquared's estates.

B. **LBAC Bid Protections and Designation of LBAC as Qualified Bidder.** LightSquared and/or other parties in interest have demonstrated that payment to L-Band Acquisition Corp. ("LBAC") of a break-up fee of $51.8 million, subject to upward adjustment in accordance with the Bid Procedures (the "LBAC Break-Up Fee" and, together with the LP Expense Reimbursement,[5] the "LBAC Bid Protections") is an actual and necessary cost and expense of preserving the LP Debtors' estates within the meaning of section 503(b) of the Bankruptcy Code. For purposes of this Order and the Bid Procedures, LBAC shall be deemed a Qualified Bidder.

C. **MSAC Bid Protections and Designation of MSAC as Qualified Bidder.** In connection with the MSAC Bid, MAST Spectrum Acquisition Corp. and/or one or more of its affiliates or designees ("MSAC") shall be entitled to the Inc. Expense Reimbursement.[6] For purposes of this Order and the Bid Procedures, MSAC shall be deemed a

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[4] Regardless of the heading under which they appear, any (1) findings of fact that constitute conclusions of law shall be conclusions of law and (2) conclusions of law that constitute findings of fact shall be findings of fact. See Fed. R. Bankr. P. 7052. All findings of fact and conclusions of law announced by the Court at the Hearing in relation to the Motion are incorporated herein to the extent inconsistent herewith.

[5] "LP Expense Reimbursement" has the meaning set forth in the *Order Approving Expense Reimbursement and Related Relief for L-Band Acquisition, LLC and MAST Spectrum Acquisition Company LLC and Related Entities* [Docket No. 880] (the "Expense Order").

[6] "Inc. Expense Reimbursement" has the meaning set forth in the Expense Order.

Qualified Bidder.

D. **Further Stalking Horse Bid Protections.** LightSquared has demonstrated a compelling and sound business justification for authorizing the payment of bid protections (the "Potential Stalking Horse Bid Protections") with respect to the applicable Assets as follows: (i) a break-up fee payable to the Potential Stalking Horse Bidder of up to 3% of the cash purchase price of the applicable Assets set forth in the Potential Stalking Horse Bid and (ii) a maximum expense reimbursement payable to the Potential Stalking Horse Bidder of up to $2,000,000. LightSquared has further demonstrated that payment of the Potential Stalking Horse Bid Protections (subject to the provisions set forth in decretal paragraphs 10 through 12 hereof) is supported under the circumstances, timing, and procedures set forth in the Bid Procedures and by LightSquared's compelling and sound business justification.

E. The Potential Stalking Horse Bid Protections, if authorized pursuant to the provisions of this Order, are fair, reasonable, and provide a benefit to the applicable LightSquared estates, creditors, stakeholders, and other parties in interest in these Chapter 11 Cases.

F. If necessary, and subject to the provisions set forth in decretal paragraphs 10 through 12 hereof in respect of the Potential Stalking Horse Bid Protections, LightSquared's payment to a Potential Stalking Horse Bidder of the Bid Protections is (i) an actual and necessary cost and expense of preserving the applicable LightSquared estates, within the meaning of section 503(b) of the Bankruptcy Code, (ii) of substantial benefit to the applicable LightSquared estates, and (iii) reasonable and appropriate in light of, among other things, (a) the size and nature of the proposed Sale, (b) the substantial efforts that will have been expended by a Potential Stalking Horse Bidder, notwithstanding that such the Sale is subject to higher or better

offers, and (c) the substantial benefits a Potential Stalking Horse Bidder will have provided to the applicable LightSquared estates, their creditors, and all parties interest herein, including, among other things, by increasing the likelihood that the best possible price for the applicable Assets will be received.

G. The entry of this Order is in the best interest of LightSquared and its estates, creditors, interest holders, and other parties in interest herein.

THEREFORE, IT IS ORDERED THAT:

1. The Motion is granted solely to the extent provided herein.

Bid Procedures

2. The Bid Procedures are hereby approved in all respects and shall apply with respect to, and shall govern all proceedings related to, the Auction and Sale of substantially all of the Assets or any grouping or subset of the Assets. Failure to specifically include or reference a particular provision of the Bid Procedures in this Order shall not diminish or impair the effectiveness of such provision.

3. At or before the Confirmation Hearing (as defined below), consistent with the Bid Procedures and to obtain the highest or otherwise best offer(s) for the Assets, LightSquared, after consultation with the Stakeholder Parties, may impose such other terms and conditions as it may determine (after consultation with the Stakeholder Parties) to be in the best interests of LightSquared's estates and creditors.

Bid Deadline, Auction, and Confirmation Hearing

4. The deadline for a Potential Bidder to submit bids shall be November 20, 2013 at 5:00 p.m. (prevailing Eastern time) (the "Bid Deadline"). LightSquared may, in its reasonable discretion (after providing advance notice to the Stakeholder Parties of such

decision), extend the Bid Deadline once or successively, but it is not obligated to do so; provided, that in no event shall the Bid Deadline be extended beyond November 25, 2013. If LightSquared extends the Bid Deadline, it shall promptly notify all Potential Bidders of the extension.

5. If LightSquared receives a Qualified Bid (other than the LBAC Bid or the MSAC Bid) prior to the Bid Deadline, the Auction shall be held on November 25, 2013 at 10:00 a.m. (prevailing Eastern time) (provided, however, that if the Bid Deadline is extended in LightSquared's reasonable discretion, after providing advance notice to the Stakeholder Parties of such decision, to November 25, 2013, the Auction shall be conducted on December 3, 2013 beginning at 10:00 a.m. (prevailing Eastern time)) at the offices of Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, NY 10005. The Auction may be adjourned by LightSquared, with the consent of the Lender Parties, to any date agreed to by LightSquared and the Lender Parties; provided, that the Auction shall not be adjourned beyond December 6, 2013.

6. The Court shall hold a hearing on December 10, 2013 at 10:00 a.m. (prevailing Eastern time) (the "Confirmation Hearing") in the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, Courtroom No. 621, One Bowling Green, New York, NY 10004, at which time the Court shall consider the Sale[7] as set forth in the Motion. The Confirmation Hearing may be continued from time to time by the Court or LightSquared (at the Court's direction) without further notice other than by adjournment being announced in open court or by a notice of adjournment filed with the Court and served in accordance with the Case Management Order.

[7] For the avoidance of doubt, a "Sale" shall be deemed to include a sale of any grouping or subset of the Assets.

7. Any objections to the Court's approval of the Sale must be filed and served in accordance with the Disclosure Statement Order[8] by November 26, 2013 at 4:00 p.m. (prevailing Eastern time) and on the following parties: (i) Milbank, Tweed, Hadley & M^CCloy LLP, One Chase Manhattan Plaza, New York, NY 10005, Attn: Matthew S. Barr, Esq., Steven Z. Szanzer, Esq., and Karen Gartenberg, Esq., counsel to LightSquared, (ii) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022 (Attn: Paul M. Basta, Esq. and Joshua A. Sussberg, Esq.), counsel to the Independent LightSquared Committee, (iii) the Notice Parties, and (iv) any additional entities on the Master Service List (as defined in the Case Management Order); provided, however, that objections to LightSquared's selection of the highest and otherwise best bid only must be filed, served, and received by the aforementioned parties by December 6, 2013 at 11:59 p.m. (prevailing Eastern time). The failure to file and serve an objection to the Court's approval of the Sale shall be a bar to the assertion thereof at the Confirmation Hearing or thereafter.

Bid Protections

8. ***LBAC Bid Protections.*** The LBAC Break-Up Fee set forth in the Bid Procedures is hereby approved to the extent set forth herein. LightSquared is authorized and directed to pay the LBAC Break-Up Fee to LBAC in accordance with the terms of the LBAC Stalking Horse Agreement and the Bid Procedures, without further order of this Court; provided, however, the LBAC Stalking Horse Agreement shall not be modified as it relates to the LBAC Bid Protections, including with respect to the timing or circumstances under which the LBAC Bid Protections are earned and become an allowed administrative claim against the LP Debtors;

[8] "Disclosure Statement Order" means *Order (I) Approving Disclosure Statements, (II) Approving Solicitation and Notice Procedures with Respect to Confirmation of Competing Plans, (III) Approving Forms of Various Ballots and Notices in Connection Therewith, (IV) Approving Scheduling of Certain Dates in Connection with Confirmation of Competing Plans, and (V) Granting Related Relief*.

provided, further, and notwithstanding anything to the contrary in the LBAC Stalking Horse Agreement, the LBAC Break-Up Fee shall be earned (and any claim of LBAC in respect of same shall be an allowed administrative expense claim against the LP Debtors) at the times set forth in the LBAC Stalking Horse Agreement, but shall not be payable by the LP Debtors until consummation of an alternative transaction; provided, further, and for the avoidance of doubt, termination of the LBAC Stalking Horse Agreement pursuant to section 8.1(b) thereof, which shall be deemed to occur as a result of an event contemplated in section 8.1(b), shall not result in or otherwise trigger the payment of the LBAC Bid Protections pursuant to section 8.3 of the LBAC Stalking Horse Agreement or otherwise.

9. ***MSAC Bid Protections.*** In connection with the MSAC Bid, MSAC shall be entitled to the Inc. Expense Reimbursement.

10. ***Potential Stalking Horse Bid Protections.*** To the extent LightSquared determines to proceed with a transaction proposed by a Potential Stalking Horse Bidder that includes the payment of Potential Stalking Horse Bid Protections, LightSquared shall (a) provide a confidential written Notice of Proposed Grant of Potential Stalking Horse Bid Protections (a "Bid Protections Notice") by hand delivery, e-mail, facsimile, or overnight courier to each of the Stakeholder Parties and each of their respective counsel and financial advisors (the "Bid Protections Notice Parties"), inviting the Bid Protections Notice Parties to a meeting at the offices of Milbank, Tweed, Hadley & McCloy LLP on not less than one (1) business day's notice, and (b) orally advise counsel to the Bid Protections Notice Parties of (i) the name of the Potential Stalking Horse Bidder, (ii) LightSquared's estimated range of aggregate consideration offered by such bidder and the form thereof, (iii) the proposed Potential Stalking Horse Bid Protections to be provided, and (iv) any material conditions to the proposed transaction (the "Bid

Protections Disclosure").

11. The Bid Protections Notice Parties and the respective members of each of the Stakeholder Parties shall be obligated to maintain the confidentiality of the Bid Protections Notice, the Bid Protections Disclosure, and the contents thereof, and shall not disclose or discuss the Bid Protections Notice, the Bid Protections Disclosure, or the contents thereof with any person or entity that did not receive a copy of the Bid Protections Notice. If no Bid Protections Notice Party objects to the grant of the Potential Stalking Horse Bid Protections pursuant to paragraph 12 below, then the grant of such Potential Stalking Horse Bid Protections shall be deemed approved pursuant to this Order without further notice, hearing, or order of the Bankruptcy Court.

12. If a Bid Protections Notice Party objects to the grant of the Potential Stalking Horse Bid Protections as disclosed in the Bid Protections Disclosure, such party shall have one (1) business day following the holding of the scheduled meeting pursuant to paragraph 10 above to provide counsel to LightSquared and the other Bid Protections Notice Parties with written notice by facsimile and e-mail transmission of any such objection (the "Bid Protections Objection"). Any Bid Protections Objection shall remain confidential and be served on, and made available only to, the Bid Protections Notice Parties. On request of LightSquared, the Court shall schedule and hold an emergency, expedited hearing to consider any Bid Protections Objection (which hearing may be conducted in person or telephonically) as soon as the Court can hear the parties (the "Bid Protections Hearing"). At any Bid Protections Hearing, this Court only shall consider whether the grant of the proposed Potential Stalking Horse Bid Protections, as disclosed in the Bid Protections Disclosure, should be approved. The Bid Protections Hearing

shall be conducted *in camera* and attendance and participation shall be limited to the Bid Protections Notice Parties.

13. The Potential Stalking Horse Bid Protections are hereby approved pursuant to sections 105, 503, 507, and 1123 of the Bankruptcy Code.

Authorization

14. LightSquared is authorized and directed to take such actions as contemplated by the Bid Procedures prior to the Auction and the Confirmation Hearing, including, without limitation, actions to notify creditors, customers, regulators, or other interested parties regarding the Sale and to obtain any necessary consents or approvals regarding the Sale or any other actions necessary to effectuate the Sale.

Notice

15. Notice of (a) the Motion, (b) the Bid Procedures, (c) the Auction, (d) the Sale, (e) the Confirmation Hearing, and (f) the proposed assumption and assignment of the Selected Contracts or other similarly selected contracts to the Successful Bidder(s) shall be good and sufficient, and no other or further notice shall be required, if the following is given:

(a) Notice of Bid Procedures, Auction, and Related Deadlines. Within five (5) business days after entry of this Order, LightSquared (or their agents) shall:

i. provide a copy of (A) this Order and (B) notice, in substantially the form attached hereto as Schedule 2 (the "Sale Notice"), of the Bid Procedures, Sale, Auction, and Confirmation Hearing by email, mail, facsimile, and/or overnight delivery service, upon: (1) the Notice Parties, (2) the Internal Revenue Service, (3) the United States Attorney for the Southern District of New York, (4) the Federal Communications Commission, (5) Industry Canada, (6) all other parties who have filed a notice of appearance in the Chapter 11 Cases, and (7) all known entities that have previously expressed a bona fide interest in purchasing the Assets in the twelve (12) months preceding the date of the Motion (collectively, the "Sale Notice Parties");

ii. publish the Sale Notice (in a format modified for publication) on one occasion each in *The Wall Street Journal* (national edition) and *The Globe and Mail* (national edition); and

iii. cause the Sale Notice to be published on the Website.

(b) Notice of Successful Bidder(s). After LightSquared has selected one or more Successful Bid(s) in accordance with the terms of the Bid Procedures, LightSquared shall, as soon as immediately practicable after the Auction but no later than one (1) business day after the conclusion of the Auction, provide electronic notice of the results of the Auction, which will include a list of any executory contracts and unexpired leases (the "Selected Contracts") to be assumed by LightSquared and assigned to the proposed Successful Bidder(s), which list may be amended or modified at any time prior to the closing of the applicable Sale transaction in accordance with the Confirmation Order(s) and applicable purchase agreement, on the Court's docket.

(c) Notice of Confirmation Hearing. Pursuant to the Disclosure Statement Order, notice of the Confirmation Hearing shall be served to all holders of claims or equity interests in the Chapter 11 Cases and published no later than October 29, 2013.

(d) Assumption, Assignment, and Cure Notice.

i. No later than seven (7) calendar days prior to November 29, 2013, LightSquared shall file with the Court, and serve upon the counterparties to the executory contracts and unexpired leases to be assumed, or assumed and assigned, by LightSquared under a chapter 11 plan, a notice regarding the proposed assumption, or assumption and assignment, of its executory contract or unexpired lease and the proposed cure obligations in connection therewith (the "Cure Costs"), substantially in the form attached as Schedule 6 to the Disclosure Statement Order and attached hereto as Schedule 3 (the "Contract and Lease Counterparties Notice"). The Contract and Lease Counterparties Notice will (A) list the applicable Cure Costs, if any, (B) describe the procedures for filing objections to the proposed assumption, or assumption and assignment, or Cure Costs, and (C) explain the process by which related disputes shall be resolved by the Court.

ii. Any objection by a counterparty to an executory contract or unexpired lease to a proposed assumption, assumption and assignment, or related cure amount must be filed, served, and actually received by (A) Milbank, Tweed, Hadley &

M^cCloy LLP, One Chase Manhattan Plaza, New York, NY 10005 (Attn: Matthew S. Barr, Esq., Steven Z. Szanzer, Esq., and Karen Gartenberg, Esq.), counsel to LightSquared, (B) the applicable Qualified Bidder, and (C) any other notice parties identified on the Contract and Lease Counterparties Notice no later than 4:00 p.m. (prevailing Eastern time) on November 29, 2013; provided, however, that any objection by a counterparty to an executory contract or unexpired lease solely to the proposed purchaser's financial wherewithal must be filed, served, and actually received by the aforementioned parties no later than 11:59 p.m. (prevailing Eastern time) on December 6, 2013.

iii. KCC will serve each counterparty to an executory contract or unexpired lease with a copy of the Confirmation Hearing Notice to ensure that such parties receive notice of the Confirmation Hearing.

iv. Neither the exclusion nor inclusion of any contract or lease on the Contract and Lease Counterparties Notice, nor anything contained in any chapter 11 plan filed in these Chapter 11 Cases, shall constitute an admission by the applicable plan proponent(s) that any such contract or lease is or is not, in fact, an executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code. The inclusion of any contract or lease on the Contract and Lease Counterparties Notice does not ultimately establish that such contract or lease shall be assumed, or assumed and assigned, as all plan proponents expressly reserve the right to alter, amend, modify, or supplement the Contract and Lease Counterparties Notice at any time prior to the effective date of, and in accordance with, the applicable chapter 11 plan.

v. At the Confirmation Hearing, only those Selected Contracts (and the corresponding Cure Costs) listed on the Contract and Lease Counterparties Notice that have been selected to be assumed by the Successful Bidder at the Auction shall be the Selected Contracts subject to approval by the Court, and all plan proponents shall reserve their rights for all other contracts.

vi. If no objection with respect to a Selected Contract is timely received, (A) the counterparty to such Selected Contract shall be deemed to have consented to the assumption and assignment of the Selected Contract to the Successful Bidder and shall be forever barred from asserting any objection with regard to such assumption and assignment, and (B) the Cure

Costs set forth in the Contract and Lease Counterparties Notice shall be controlling, notwithstanding anything to the contrary in any Selected Contract, or any other document, and the counterparty to a Selected Contract shall be deemed to have consented to the Cure Costs and shall be forever barred from asserting any other claims related to such Selected Contract against LightSquared or the Successful Bidder, or the property of any of them.

vii. Any objection not consensually resolved prior to the Confirmation Hearing shall be heard at the Confirmation Hearing, with any related Cure Costs or adequate assurance of future performance fixed by the Court.

viii. Except as may be otherwise agreed to by all parties to a Selected Contract, on or before the closing of the applicable Purchase Agreement, the cure of any defaults under a Selected Contract necessary to permit the assumption and assignment thereof shall be by: (A) payment of the undisputed Cure Costs and/or (B) establishment of a reserve with respect to any disputed Cure Costs. The party responsible for paying the Cure Costs shall be set forth in the Purchase Agreement of the applicable Successful Bidder.

16. Notwithstanding any other provision of this Order or any other Order of this Court, no assignment or transfer of control of any rights and interests of LightSquared in any federal license or authorization issued by the Federal Communications Commission (the "FCC") shall take place prior to the issuance of FCC regulatory approval for such assignment pursuant to the Communications Act of 1934, as amended, and the rules and regulations promulgated thereunder. The FCC's rights and powers to take any action pursuant to its regulatory authority, including, but not limited to, imposing any regulatory conditions on such assignments or transfer of control and setting any regulatory fines or forfeitures, are fully preserved, and nothing herein shall proscribe or constrain the FCC's exercise of such power or authority to the extent provided by law.

17. Nothing in the Bid Procedures or this Order shall prohibit, restrict, or otherwise limit the ability of any party to file and prosecute any competing chapter 11 plan,

including a plan that contemplates the retention by LightSquared, or the alternative disposition, of the Assets, or any ability of any party in interest to object to any plan or Sale, or contest any determinations made by LightSquared under the Bid Procedures.

18. This Court shall retain jurisdiction to hear and determine all matters arising from the interpretation, implementation, and enforcement of this Order.

Dated: October 1, 2013
New York, New York

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

Schedule 1

Bid Procedures

BID PROCEDURES

Set forth below are the procedures (the "Bid Procedures") to be employed in connection with the proposed auction (the "Auction") and sale (the "Sale") of (i) substantially all of the assets (the "LP Assets") of LightSquared LP ("LSLP"), ATC Technologies, LLC, LightSquared Corp., LightSquared Inc. of Virginia, LightSquared Subsidiary LLC, LightSquared Finance Co., LightSquared Network LLC, Lightsquared Bermuda Ltd., SkyTerra Holdings (Canada) Inc., and SkyTerra (Canada) Inc. (collectively, the "LP Debtors"), (ii) substantially all of the assets (the "Inc. Assets" and, together with the LP Assets, the "Assets") of LightSquared Inc., LightSquared Investors Holdings Inc., SkyTerra Rollup LLC, One Dot Four Corp., One Dot Six Corp., SkyTerra Rollup Sub LLC, One Dot Six TVCC Corp., TMI Communications Delaware, Limited Partnership, LightSquared GP Inc., and SkyTerra Investors LLC (the "Inc. Debtors" and, together with the LP Debtors, the "Debtors" or "LightSquared"),[1] or (iii) any grouping or subset of the Assets.

A hearing (the "Confirmation Hearing") to consider approval of the Sale of the Assets, or any grouping or subset thereof, shall be conducted on December 10, 2013 at 10:00 a.m. (prevailing Eastern time) at the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton U.S. Custom House, Courtroom No. 621, One Bowling Green, New York, NY 10004 (the "Bankruptcy Court"). The Confirmation Hearing may be continued from time to time by the Bankruptcy Court or LightSquared (at the Bankruptcy Court's direction) without further notice other than by such adjournment being announced in open court or by a notice of adjournment filed with the Bankruptcy Court and served in accordance with the *Order Establishing Certain Notice, Case Management, and Administrative Procedures* [Docket No. 121] (the "Case Management Order").

a. **Assets to Be Sold.** LightSquared will offer for Sale all or substantially all of the Assets. For the avoidance of doubt, in connection with the Sale and these Bid Procedures, any Potential Bidder (as defined below) may submit a bid for any or all of the Assets of LightSquared, and, for purposes hereof, "Sale" shall be deemed to include a sale of any grouping or subset of the Assets. LightSquared, in consultation with (i) the Ad Hoc Secured Group, exclusive of SPSO[2] and its affiliates (the "Independent Ad Hoc Secured

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[1] For the avoidance of doubt, any decision to be made by LightSquared under these Bid Procedures, or in connection with the plan process, including, without limitation, the acceptance of any Successful Bid (or Second-Highest Bid) (each as defined below), shall be made by the independent committee of LightSquared's board of directors (the "Independent LightSquared Committee"). Actions taken by the Independent LightSquared Committee may be taken (a) on the advice of Kirkland & Ellis LLP ("Kirkland"), as counsel to the Independent LightSquared Committee, and/or the advice of Moelis & Company ("Moelis"), as LightSquared's financial advisor, or (b) by Kirkland or Moelis, in each case at the direction of the Independent LightSquared Committee. For further avoidance of doubt, in connection with any decision made by the Independent LightSquared Committee under these Bid Procedures, or in connection with the plan process, the Independent LightSquared Committee may also consult with counsel to, and advisors for, any other party in LightSquared's chapter 11 cases, including, without limitation, LightSquared's regulatory counsel.

[2] The "Ad Hoc Secured Group" means that certain ad hoc secured group of holders of loans made pursuant to that certain Credit Agreement, dated as of October 1, 2010, between LSLP, as borrower, certain of LSLP's affiliates (including, but not limited to, the other Sellers), as guarantors, the lenders party thereto,

Group"), and (ii) MAST Capital Management, LLC (on behalf of itself and its management funds and accounts, collectively "MAST") and U.S. Bank National Association ("U.S. Bank" and, collectively with the Independent Ad Hoc Secured Group and MAST, the "Lender Parties" and, collectively with the Ad Hoc Group of LP Preferred Shareholders and SIG Holdings, Inc., the "Stakeholder Parties"), through the Stakeholder Parties' respective advisors, will appropriately assess any bid to determine whether it is a Qualified Bid (as defined below).

b. **Bidding Process.** LightSquared, in consultation with the Stakeholder Parties, shall, in its reasonable discretion: (i) determine whether any person is a Potential Bidder; (ii) coordinate the efforts of Potential Bidders in conducting their respective due diligence investigations regarding LightSquared's businesses and Assets; (iii) receive offers from Qualified Bidders (as defined below); and (iv) negotiate any offer made to purchase Assets by a Qualified Bidder (collectively, the "Bidding Process").

c. **Due Diligence for Potential Bidders.** LightSquared, in consultation with the Stakeholder Parties, shall provide each Potential Bidder with reasonable due diligence information upon reasonable request. In addition, LightSquared shall make available to all Potential Bidders (including, without limitation, each Stalking Horse Bidder (as defined below)) draft disclosure schedules by no later than 5:00 p.m. (prevailing Eastern time) on October 1, 2013, and a proposed schedule of third-party consents and approvals that would be necessary to consummate a sale of the Assets or any subset thereof by no later than 5:00 p.m. (prevailing Eastern time) on October 4, 2013. None of LightSquared, the Ad Hoc Secured Group, U.S. Bank, MAST, or any of the foregoing parties' affiliates, representatives, or advisors, is obligated to furnish any information relating to the Assets to any person except, in the case of LightSquared and its controlled affiliates, representatives, and advisors as applicable, to Potential Bidders prior to the Bid Deadline (as defined below). Potential Bidders are advised to exercise their own discretion before relying on any information regarding the Assets, whether provided by LightSquared, its representatives, or any other party. The due diligence period will end on the Bid Deadline. To be a "Potential Bidder," each bidder (other than LBAC and MSAC (each as defined below)):

   i. must have delivered an executed confidentiality agreement in form and substance reasonably satisfactory to LightSquared, in consultation with the Lender Parties, unless such bidder informs LightSquared that it does not seek access to any non-public diligence materials and intends to submit a bid not conditioned on due diligence and receipt of information from LightSquared;

UBS AG, Stamford Branch, as administrative agent, and UBS Securities LLC, as arranger, syndication agent, and documentation agent (as amended, restated, supplemented, and/or modified, the "Prepetition LP Credit Agreement"), as such group may be reconstituted from time to time. "SPSO" means SP Special Opportunities, LLC.

ii. must have delivered the most current audited (if applicable) and the most current unaudited financial statements (collectively, the "Financials") of the Potential Bidder, or, if the Potential Bidder is an entity formed for the purpose of acquiring Assets, the Financials of the Potential Bidder's equity holder(s) or other financial backer(s), or such other form of financial disclosure and evidence reasonably acceptable to LightSquared, in consultation with the Stakeholder Parties, demonstrating such Potential Bidder's financial ability to: (A) close the proposed transaction (the "Proposed Transaction") contemplated by the Potential Bidder's proposed purchase agreement (together with its exhibits and schedules, and any ancillary agreements related thereto, the "Proposed Agreement"); and (B) provide adequate assurance of future performance to counterparties to any executory contracts and unexpired leases to be assumed by LightSquared and assigned to the Potential Bidder; provided, that if a Potential Bidder is unable to provide Financials, LightSquared, in consultation with the Stakeholder Parties, may accept such other information sufficient to demonstrate to LightSquared's reasonable satisfaction (after consultation with the Stakeholder Parties) that such Potential Bidder has the financial wherewithal and ability to consummate the Proposed Transaction; and

iii. shall comply with all reasonable requests for additional information by LightSquared, in consultation with the Stakeholder Parties, or LightSquared's advisors, in consultation with the Stakeholder Parties, regarding such Potential Bidder's financial wherewithal and ability to consummate and perform obligations in connection with the Sale. Failure by a Potential Bidder to comply with requests for additional information may be a basis for LightSquared, in consultation with the Stakeholder Parties, to determine that a bid made by such Potential Bidder is not a Qualified Bid.

d. **Form Purchase Agreement, Stalking Horse Bids, and Related Protections.**

i. ***Form Purchase Agreement.*** With these Bid Procedures, LightSquared is providing a form purchase agreement (with certain ancillary agreements thereto, the "Form APA"), a true and correct copy of which is attached as Schedule 1-A hereto.

ii. ***LBAC.*** L-Band Acquisition, LLC ("LBAC"), as set forth in that certain purchase agreement attached as Exhibit F to the Disclosure Statement for Joint Chapter 11 Plan for LightSquared LP, ATC Technologies, LLC, LightSquared Corp., LightSquared Inc. of Virginia, LightSquared Subsidiary LLC, LightSquared Finance Co., LightSquared Network LLC, Lightsquared Bermuda Ltd., SkyTerra Holdings (Canada) Inc., and SkyTerra (Canada) Inc. Proposed by the Ad Hoc Secured Group of LightSquared LP Lenders filed on July 23, 2013 [Docket No. 765] (as

expressly modified by these Bid Procedures or the Approval Order, the "LBAC Stalking Horse Agreement"), has submitted a Qualified Bid (as expressly modified by these Bid Procedures or the Approval Order, the "LBAC Bid") for the purchase of the LP Assets of (A) cash in the amount of $2.22 billion; plus (B) the value of Employee Obligations assumed by LBAC; plus (C) certain Cure Amounts; plus (D) the amount of liabilities specifically designated in the LBAC Stalking Horse Agreement as assumed liabilities. In addition, the LBAC Bid provides that receipt of the FCC Consent and Industry Canada Approval is not a condition precedent for the funding of the cash purchase price payable thereunder.[3] In connection with the LBAC Bid, LBAC shall be entitled to a break-up fee of $51.8 million, i.e., 2 1/3% of the cash purchase price offered by the LBAC Bid (the "LBAC Break-Up Fee" and, together with the LP Expense Reimbursement,[4] the "LBAC Bid Protections"), which shall be payable to LBAC on the terms and conditions set forth in the LBAC Stalking Horse Agreement and Approval Order (as defined below); provided, that in the event that LightSquared agrees to provide a break-up or similar fee to any other Stalking Horse Bidder that exceeds the LBAC Break-Up Fee (e.g., a larger percentage and/or a fee based on cash and non-cash consideration) (a "Larger Break-Up Fee") and such Larger Break-Up Fee is approved by the Bankruptcy Court in accordance with these Bid Procedures, the LBAC Break-Up Fee shall be deemed to increase such that the LBAC Break-Up Fee shall be equal to the Larger Break-Up Fee, expressed as a percentage of the applicable components of the applicable Stalking Horse Bid. Upon approval of any Larger Break-Up Fee in accordance with these Bid Procedures, LightSquared shall provide written notice (which may include email from counsel to LightSquared) to LBAC of same as well as of the calculation method of such Larger Break-Up Fee.[5]

iii. ***MSAC.*** Mast Spectrum Acquisition Corp. and/or one or more of its affiliates or designees ("MSAC"), as set forth in that certain purchase agreement attached as Exhibit B to the Specific Disclosure Statement for Chapter 11 Plan for One Dot Six Corp. Proposed by U.S. Bank National Association and MAST Capital Management, LLC filed on August 30, 2013 [Docket No. 824] (the "MSAC Stalking Horse Agreement"), has submitted a Qualified Bid in the form of a credit bid (the "MSAC Bid") for the purchase of the assets of One Dot Six Corp. (the "One Dot Six

[3] Terms used in this paragraph and not otherwise defined herein shall have the meanings set forth in the LBAC Stalking Horse Agreement.

[4] "LP Expense Reimbursement" has the meaning set forth in the *Order Approving Expense Reimbursement and Related Relief for L-Band Acquisition, LLC and MAST Spectrum Acquisition Company LLC and Related Entities* [Docket No. 880] (the "Expense Order").

[5] The summary of the LBAC Bid contained in this section (d)(ii) is qualified in its entirety by the terms of the LBAC Stalking Horse Agreement. In the event of any conflict between the summary of the LBAC Bid contained herein and the LBAC Stalking Horse Agreement, the LBAC Stalking Horse Agreement, as expressly modified by these Bid Procedures and the Approval Order, shall control.

Assets") in an amount equal to (A) all Obligations (as defined in the DIP Credit Agreement) owing under the DIP Credit Agreement, plus (B) $1.00 of obligations owing under the Inc. Facility Credit Agreement held by MAST in the form of the Inc. Facility – One Dot Six Guaranty Claims, plus (C) cash in the amount necessary to satisfy those obligations under any plan of reorganization that are required to be paid in cash, if any; plus (D) certain Cure Costs; plus (D) the liabilities specifically designated in the MSAC Stalking Horse Agreement as assumed liabilities.[6] In connection with the MSAC Bid, MSAC shall be entitled to the Inc. Expense Reimbursement.[7]

iv. ***Potential Stalking Horse Bids.*** Prior to the Bid Deadline, LightSquared may, in consultation with the Stakeholder Parties, seek approval from the Bankruptcy Court to enter into an agreement (a "Potential Stalking Horse Agreement" and, collectively with the LBAC Stalking Horse Agreement and the MSAC Stalking Horse Agreement, the "Stalking Horse Agreements") with any Qualified Bidder that will act as a stalking horse bidder (each, a "Potential Stalking Horse Bidder" and, together with LBAC and MSAC, the "Stalking Horse Bidders") for all or any grouping or subset of LightSquared's Assets, if, in LightSquared's judgment, after consultation with the Stakeholder Parties, such resulting bid (the "Potential Stalking Horse Bid" and, together with the LBAC Bid and the MSAC Bid, the "Stalking Horse Bids") will better promote the goals of the Bidding Process. LightSquared may, in consultation with the Stakeholder Parties and subject to the Bankruptcy Court's approval, grant such Potential Stalking Horse Bidder(s) bid protections (the "Potential Stalking Horse Bid Protections" and, together with the LBAC Bid Protections and the Inc. Expense Reimbursement, the "Bid Protections") with respect to the applicable Assets as follows: (A) a break-up fee payable to the Potential Stalking Horse Bidder of up to 3% of the cash purchase price of the applicable Assets set forth in the Potential Stalking Horse Bid and (B) a maximum expense reimbursement payable to the Potential Stalking Horse Bidder of up to $2,000,000. For the avoidance of doubt, a Stalking Horse Bid may contemplate the purchase of any grouping or subset of the Assets and there may be more than one Stalking Horse Bidder, whether for different, the same, or a subset of the Assets.

(A) To the extent LightSquared determines to proceed with a transaction proposed by a Potential Stalking Horse Bidder

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[6] Terms used in this paragraph and not otherwise defined herein shall have the meanings set forth in the MSAC Stalking Horse Agreement. In addition, the summary of the MSAC Bid contained in this section (d)(iii) is qualified in its entirety by the terms of the MSAC Stalking Horse Agreement. In the event of any conflict between the summary of the MSAC Bid contained herein and the MSAC Stalking Horse Agreement, the MSAC Stalking Horse Agreement, as expressly modified by these Bid Procedures and the Approval Order, shall control.

[7] "Inc. Expense Reimbursement" has the meaning set forth in the Expense Order.

that includes the payment of Potential Stalking Horse Bid Protections, LightSquared shall (1) provide a confidential written Notice of Proposed Grant of Potential Stalking Horse Bid Protections (a "Bid Protections Notice") by hand delivery, e-mail, facsimile, or overnight courier to each of the Stakeholder Parties and each of their respective counsel and financial advisors (the "Bid Protections Notice Parties"), inviting the Bid Protections Notice Parties to a meeting at the offices of Milbank, Tweed, Hadley & McCloy LLP on not less than one (1) business day's notice, and (2) orally advise counsel to the Bid Protections Notice Parties of (w) the name of the Potential Stalking Horse Bidder, (x) LightSquared's estimated range of aggregate consideration offered by such bidder and the form thereof, (y) the Potential Stalking Horse Bid Protections to be provided, and (z) any material conditions to the proposed transaction (the "Bid Protections Disclosure").

(B) The Bid Protections Notice Parties and the respective members of each of the Stakeholder Parties shall be obligated to maintain the confidentiality of the Bid Protections Notice, the Bid Protections Disclosure, and the contents thereof, and shall not disclose or discuss the Bid Protections Notice, the Bid Protections Disclosure, or the contents thereof with any person or entity that did not receive a copy of the Bid Protections Notice. If no Bid Protections Notice Party objects to the grant of the Potential Stalking Horse Bid Protections pursuant to section d(iv)(C) below, then the grant of such Potential Stalking Horse Bid Protections shall be deemed approved pursuant to the Approval Order without further notice, hearing, or order of the Bankruptcy Court.

(C) If a Bid Protections Notice Party objects to the grant of the Potential Stalking Horse Bid Protections as disclosed in the Bid Protections Disclosure, such party shall have one (1) business day following the holding of the scheduled meeting pursuant to section (d)(iv)(A) above to provide counsel to LightSquared and the other Bid Protections Notice Parties with written notice by facsimile and e-mail transmission of any such objection (the "Bid Protections Objection"). Any Bid Protections Objection shall remain confidential and be served on, and made available only to, the Bid Protections Notice Parties. On request of LightSquared, the Bankruptcy Court shall schedule and hold an emergency, expedited hearing to consider any Bid

Protections Objection (which hearing may be conducted in person or telephonically) as soon as the Bankruptcy Court can hear the parties (the "Bid Protections Hearing"). At any Bid Protections Hearing, this Court only shall consider whether the grant of the Potential Stalking Horse Bid Protections, as disclosed in the Bid Protections Disclosure, should be approved. The Bid Protections Hearing shall be conducted *in camera* and attendance and participation shall be limited to the Bid Protections Notice Parties.

(D) To the extent LightSquared, in consultation with the Stakeholder Parties, enters into any such Potential Stalking Horse Agreement(s), the agreement(s) shall be placed on the Bankruptcy Court's docket and notice thereof shall be given to all parties on LightSquared's master service list maintained by KCC pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure and Rule 2002-2 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York and any entities that have filed a request for service of filings pursuant to Bankruptcy Rule 2002.

v. The Qualified Bid made by the applicable Stalking Horse Bidder plus the applicable Bid Protections will then act as the minimum Qualified Bid (the "Baseline Bid") for the applicable Assets for purposes of, and subject to higher and better offers at, the Auction.

e. **Participation Requirements.** Unless otherwise ordered by the Bankruptcy Court, to participate in the Bidding Process, each person that is a Potential Bidder (each, a "Qualified Bidder") must submit a bid that adheres to the requirements below (each, a "Qualified Bid"). Notwithstanding anything in these Bid Procedures to the contrary, each Stalking Horse Bidder shall be deemed to (i) be a Qualified Bidder, (ii) have submitted a Qualified Bid, and (iii) shall not be required to take any further action in order to participate at the Auction (if any). Nothing in these Bid Procedures shall prohibit Harbinger Capital Partners, LLC ("Harbinger") and its affiliates from submitting a Qualified Bid.

i. Qualified Bidders must deliver written copies of their bids no later than **5:00 p.m. (prevailing Eastern time) on November 20, 2013 (the "Bid Deadline")** to: (A) Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, NY 10005 (Attn: Matthew S. Barr, Esq. and Karen Gartenberg, Esq.), counsel to LightSquared; (B) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022 (Attn: Paul M. Basta, Esq. and Joshua A. Sussberg, Esq.), counsel to the Independent LightSquared Committee, (C) White & Case LLP, 1155 Avenue of the Americas, New York, NY 10036 (Attn: Thomas E Lauria, Esq., Glenn M.

Kurtz, Esq., and Andrew C. Ambruoso, Esq.), counsel to the Ad Hoc Secured Group; and (D) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036 (Attn: Philip C. Dublin, Esq., Kenneth A. Davis, Esq., and Meredith A. Lahaie, Esq.), counsel to MAST and U.S. Bank, as administrative agent under the Prepetition Inc. Credit Agreement and administrative agent under the DIP Credit Agreement (each as defined below) (collectively, the "Notice Parties"). LightSquared may, in its reasonable discretion (after providing advance notice to the Stakeholder Parties of such decision), extend the Bid Deadline once or successively, but it is not obligated to do so; provided, that in no event shall the Bid Deadline be extended beyond November 25, 2013. If LightSquared extends the Bid Deadline, it shall promptly notify all Potential Bidders of the extension.

ii. All Qualified Bids must be in the form of an offer letter, which letter states:

(A) that such Qualified Bidder offers to purchase any grouping or subset of Assets without indemnification and upon other terms and conditions set forth in a Proposed Agreement, copies of which (one hard copy executed by an individual authorized to bind such Qualified Bidder together with electronic copies in Word format of (1) a clean version of the Proposed Agreement and (2) a marked version or versions of the Proposed Agreement against the Form APA and/or the applicable Stalking Horse Agreement (showing amendments and modifications thereto)), are to be provided to the Notice Parties;

(B) that such Qualified Bidder is prepared to consummate the transaction set forth in the Proposed Agreement promptly following (1) entry of an order of the Bankruptcy Court approving the Sale to the Successful Bidder(s) pursuant to the terms of one or more plans of reorganization (the "Confirmation Order(s)") and (2) receipt of other requisite governmental and regulatory approvals on the terms set forth in such Proposed Agreement;

(C) that the offer shall remain open and irrevocable as provided below;

(D) that the Qualified Bidder consents to the jurisdiction of the Bankruptcy Court; and

(E) which of LightSquared's leases and executory contracts are to be assumed and assigned in connection with the consummation of the Qualified Bidder's bid.

iii. All Qualified Bids shall be accompanied by a deposit into escrow with LightSquared of an amount in cash equal to:

(A) with respect to a Qualified Bid for the LP Assets, a subset of the LP Assets, or any grouping or subset of the LP Assets and the Inc. Assets, $100,000,000; or

(B) with respect to a Qualified Bid solely for the Inc. Assets, or any subset thereof, 5% of the proposed purchase price, as determined by the amount of consideration to be provided to the applicable Debtors' estates in connection with the proposed Sale, exclusive of the assumption of liabilities (the amounts set forth in clause (A) or this clause (B), each a "Good Faith Deposit");

provided, however, that any Qualified Bidder who is also a secured lender to LightSquared and submits a Qualified Bid by credit bid shall not be required to provide a Good Faith Deposit; provided, that a majority in amount of such Qualified Bid (determined by reference to the aggregate consideration to be provided to LightSquared's estates on account of such Qualified Bid) is in the form of a credit bid. For the avoidance of doubt, consistent with the rights provided to them pursuant to the *Final Order, Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364, and 507, (a) Authorizing Inc. Obligors To Obtain Postpetition Financing, (b) Granting Liens and Providing Superpriority Administrative Expense Status, (c) Granting Adequate Protection, and (d) Modifying Automatic Stay* [Docket No. 224] (as amended, the "DIP Order"), MAST and U.S. Bank shall be entitled to credit bid their claims arising under the Prepetition Inc. Credit Agreement and the DIP Credit Agreement (each as defined in the DIP Order).

iv. Qualified Bids may provide for forms of consideration that include cash or a combination of cash and other distributable forms of consideration that may be distributed under a plan of reorganization or further order of the Bankruptcy Court (for the avoidance of doubt, other than with respect to assumed liabilities), which shall be delivered to the applicable Debtors' estates on the Closing Date; provided, however, that a Qualified Bid must include a minimum cash component sufficient to pay any applicable Bid Protections plus all of the following allowed Claims, to the extent required by, and as defined in, the applicable plan(s): Administrative Claims, Priority Tax Claims, Other Priority Claims, and U.S. Trustee Fees.

v. A Qualified Bid must exceed the aggregate consideration to be paid to or for LightSquared's applicable estates as follows:

(A) a Qualified Bid solely in respect of (1) the LP Assets or any grouping or subset thereof, or (2) any grouping or subset of

the LP Assets and Inc. Assets must exceed the aggregate consideration to be paid to, or for the benefit of, LightSquared's estates as set forth in the applicable Baseline Bid(s) plus $50,000,000, the minimum overbid increment at the Auction; and

(B) a Qualified Bid solely in respect of the Inc. Assets, or any subset thereof, must exceed the aggregate consideration to be paid to or for the benefit of the Inc. Debtors' estates as set forth in the applicable Baseline Bid(s) plus $10,000,000, the minimum overbid increment at the Auction;

provided, that LightSquared expressly reserves its right to accept, after consultation with the Stakeholder Parties, some other lesser minimum overbid increment if it determines such increment to be appropriate under the circumstances and will better promote the goals of the Bidding Process.

vi. All Qualified Bids shall be accompanied by satisfactory evidence, in the opinion of LightSquared, in consultation with the Stakeholder Parties, of the Qualified Bidder's ability to: (A) fund the purchase price proposed by the Qualified Bidder with cash on hand (or sources of immediately available funds) or other distributable forms of consideration, and (B) otherwise perform all transactions contemplated by the Proposed Agreement.

vii. All Qualified Bids must fully disclose the identity of each entity that will be bidding for the applicable Assets or otherwise participating in connection with such bid (including any equity holder or other financial backer if the Qualified Bidder is an entity formed for the purpose of acquiring Assets), and the complete terms of any such participation, as well as whether each such person or entity holds an interest in another mobile satellite service provider or terrestrial wireless operator and, if so, the name of the mobile satellite service provider or terrestrial wireless operator and the nature and size of the interest; provided, that LightSquared and the Stakeholder Parties will keep such information confidential and will not disclose such information without the written consent of the applicable Potential Bidder, except to the Information Officer, who shall also keep such information confidential. Further, each bid must provide sufficient information regarding both the Potential Bidder and any participants (and each of their ultimate controlling persons, if any) to permit LightSquared and the Stakeholder Parties to ascertain whether a petition for declaratory ruling to permit indirect foreign ownership of LightSquared's Federal Communications

Commission ("FCC") licenses (or the applicable Debtors owning such licenses) must be filed with the FCC.

viii. Qualified Bids must contain evidence that the Qualified Bidder has obtained authorization or approval from its board of directors (or comparable governing body) with respect to the submission of its bid and execution of the Proposed Agreement and the consummation of the transactions contemplated thereby.

ix. Except as set forth herein with respect to the LBAC Stalking Horse Agreement and the MSAC Stalking Horse Agreement or the Expense Order, Qualified Bids must not entitle the Qualified Bidder to any termination or break-up fee, expense reimbursement, or similar type of payment; provided, however, that as stated above, LightSquared reserves the right to, prior to the Bid Deadline, in consultation with the Stakeholder Parties, and subject to section (d)(iv), enter into a separate agreement with a Potential Stalking Horse Bidder under which such Potential Stalking Horse Bidder's Qualified Bid would be deemed the Stalking Horse Bid for the Auction of the applicable Assets and for which such Potential Stalking Horse Bidder would be entitled to, subject to section (d)(iv), payment at any funding of the purchase price in connection with the Sale of such Assets to a Successful Bidder that is not such Potential Stalking Horse Bidder of a break-up fee that would not exceed 3% of the cash purchase price of the Assets proposed by such Potential Stalking Horse Bidder plus a maximum expense reimbursement equal to $2,000,000.

x. Qualified Bids must be irrevocable until entry by the Bankruptcy Court of the Confirmation Order(s) and recognition by the Canadian Court (as defined below) of the Confirmation Order(s) (unless chosen as a Successful Bid or Second-Highest Bid, in which case such bid shall be irrevocable on the terms set forth in section (j) below).

xi. A Qualified Bid may be submitted in the form of a plan of reorganization.

Pursuant to the terms and conditions of this section (e), no later than two (2) calendar days prior to the commencement of the Auction, LightSquared shall notify each Potential Bidder of LightSquared's determination, in consultation with the Stakeholder Parties, of whether it is a Qualified Bidder. Any bid that is not deemed a "Qualified Bid" shall not be considered by LightSquared. Prior to the Auction, LightSquared, after consultation with the Stakeholder Parties, shall notify the Qualified Bidders of the Qualified Bid or Bids it believes to represent the then highest or otherwise best bid(s) (the "Starting Qualified Bid(s)").

f. **Flexible Asset Packages.** Bidders are invited to bid on any grouping or subset of the Assets; provided, that all bids should include a proposed allocation of purchase consideration among the subject Assets on a debtor-by-debtor basis.

g. **"As Is, Where Is."** Assets shall be sold on an "as is, where is" basis, "with all faults," and without representations or warranties (express or implied) or indemnification of any kind, nature, or description by LightSquared, its agents, or estates, except to the extent set forth in the applicable Proposed Agreement(s) of the Successful Bidder(s) or Stalking Horse Agreement(s). Except as otherwise provided in the applicable Proposed Agreement(s) of the Successful Bidder(s) or Stalking Horse Agreement(s), all of LightSquared's right, title, and interest in and to the Assets sold shall be sold free and clear of all liens, claims, charges, security interests, restrictions, and other encumbrances of any kind or nature thereon and there against (collectively, the "Liens"). Each bidder shall be deemed to acknowledge and represent that it has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or Assets in making its bid, and that it did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied, by operation of law, or otherwise, regarding the subject Assets, or the completeness of any information provided in connection with the Bidding Process, in each case except as expressly stated in the applicable Proposed Agreement(s) or Stalking Horse Agreement(s).

h. **Auction.** If LightSquared receives a Qualified Bid (other than the LBAC Bid or the MSAC Bid) prior to the Bid Deadline, LightSquared shall conduct the Auction at the offices of Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, NY 10005 on November 25, 2013 beginning at 10:00 a.m. (prevailing Eastern time) (provided, however, that if the Bid Deadline is extended by LightSquared, in its reasonable discretion, after providing advance notice to the Stakeholder Parties of such decision, to November 25, 2013, the Auction shall be conducted on December 3, 2013 beginning at 10:00 a.m. (prevailing Eastern time)), or such other place (located in New York City) and time as LightSquared, after consultation with the Stakeholder Parties, shall notify all Qualified Bidders and other invitees set forth in this section (h). If no Qualified Bids, other than the LBAC Bid or the MSAC Bid, are received, no Auction will take place, and LightSquared may request at the Confirmation Hearing that the Bankruptcy Court approve the Sale of the Assets in accordance with the LBAC Stalking Horse Agreement and/or the MSAC Stalking Horse Agreement; provided, however, that in the event LightSquared declines to so act, all of the parties' rights in connection therewith are fully preserved as set forth in section (m) below. Only representatives of LightSquared, the U.S. Trustee, the Information Officer appointed in LightSquared's recognition proceedings before the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court"), the Independent Ad Hoc Secured Group, MAST, U.S. Bank, the Ad Hoc Group of LP Preferred Shareholders, SIG Holdings, Inc., Harbinger, Centaurus Capital LP, and any Qualified Bidders, including each Stalking Horse Bidder, who have timely submitted Qualified Bids shall be entitled to attend the Auction. LightSquared, after consultation with the Stakeholder Parties, may announce at the Auction additional procedural rules that are reasonably appropriate under the circumstances for conducting the Auction, so long as such rules are not inconsistent with these Bid Procedures, including that bids may be required to be made and received in one room, on an open basis, with all other Qualified Bidders entitled to be present for all bidding. Based upon the terms of the Qualified Bids received, the number of Qualified Bidders participating in

the Auction, and such other information as LightSquared, after consultation with the Stakeholder Parties, determines is relevant, LightSquared, after consultation with the Stakeholder Parties, may conduct the Auction in the manner it determines will achieve the maximum value for the Assets. Bidding at the Auction will be transcribed or videotaped.

i. Only a Qualified Bidder and its authorized representatives who have submitted a Qualified Bid will be eligible to participate at the Auction. The bidding at the Auction shall start at the purchase price(s) stated in the Starting Qualified Bid(s), as disclosed to all Qualified Bidders prior to commencement of the Auction. Subsequent overbids shall be made in the minimum increments set forth in section (e)(v) above.

ii. During the course of the Auction, LightSquared, after consultation with the Stakeholder Parties, shall, after the submission of each Qualified Bid, promptly inform each participant which Qualified Bid(s) reflects the highest or otherwise best offer (the "Leading Bid(s)"). To the extent that such Qualified Bid has been determined to be the highest or otherwise best offer because of, entirely or in part, the addition, deletion or modification of a provision or provisions in any Stalking Horse Agreement or Proposed Agreement, other than a provision or provisions related to an increase in the cash purchase price, to the extent reasonably practicable and consistent with LightSquared's obligation to maximize value, LightSquared, after consultation with the Stakeholder Parties, shall advise each participant of the value ascribed (as determined by LightSquared, after consultation with the Stakeholder Parties) to any such added, deleted or modified provision(s).

iii. Each Qualified Bidder participating at the Auction will be required to confirm that: (i) it has not engaged in any collusion with respect to the bidding or the Sale and (ii) its Qualified Bid is a good faith bona fide offer and it intends to consummate the Proposed Transaction if selected as a Successful Bidder.

iv. The Auction may be adjourned by LightSquared, with the consent of the Lender Parties, to any date agreed to by LightSquared and the Lender Parties, but the Auction shall not be adjourned beyond December 6, 2013. Reasonable notice of any such adjournment and the time and place (which shall be in New York City) for the resumption of the Auction shall be given to all Qualified Bidders who have timely submitted Qualified Bids, and the U.S. Trustee.

v. LightSquared, after consultation with the Stakeholder Parties, shall not close the Auction until all Qualified Bidders have been given a reasonable opportunity to submit an overbid at the Auction to the then-existing

highest or otherwise best bid(s), as determined by LightSquared, after consultation with the Stakeholder Parties.

i. **Acceptance of Qualified Bids.** Subject to the terms of the Approval Order, at the conclusion of the Auction, (i) the successful bid(s) shall be the bid(s) made in accordance with that order of the Bankruptcy Court approving these Bid Procedures (the "Approval Order") that represent, in LightSquared's discretion, after consultation with the Stakeholder Parties, the highest or otherwise best offer(s) for the applicable Assets (each, a "Successful Bid" and, each Qualified Bidder who submitted a Successful Bid, a "Successful Bidder"); and (ii) LightSquared, after consultation with the Stakeholder Parties, shall announce the identity of the Successful Bidder(s). There shall be no further bidding after the conclusion of the Auction.

LightSquared's acceptance of the Successful Bid(s) is conditioned upon approval by the Bankruptcy Court of the Successful Bid(s) at the Confirmation Hearing and entry of the Confirmation Order(s).

j. **Irrevocability of Certain Bids.** The Successful Bid(s) shall remain irrevocable in accordance with the terms of the purchase agreement(s) executed by the Successful Bidder(s); provided, that (i) the last bid at the Auction (or submitted if the bidder did not bid at the Auction) of the bidder(s), including, for the avoidance of doubt, the Stalking Horse Bidders (each, a "Second-Highest Bidder"), that submits, in LightSquared's discretion, after consultation with the Stakeholder Parties, the next highest or otherwise best bid(s) (each, a "Second-Highest Bid") for the Assets[8] at the Auction shall be subject to the terms of such Second-Highest Bidder(s)' purchase agreement(s), irrevocable until the earlier of: (a) sixty (60) days after entry of the Confirmation Order(s) approving the Successful Bid(s) or such later date as may be set forth in the Second-Highest Bidder's Proposed Agreement; and (b) the date on which LightSquared receives the purchase price in connection with the Successful Bid(s) or the Second-Highest Bid(s) (the "Outside Back-up Date"), and (ii) subject to the terms of each Second-Highest Bidder(s)' purchase agreement, the Good Faith Deposit of the Second-Highest Bidder(s) shall be returned within five (5) business days of the Outside Back-up Date; provided further, that LBAC has agreed to serve as the Second Highest Bidder for the LP Assets, and that the LBAC Bid shall remain irrevocable, until the earlier of sixty (60) days after entry of the Confirmation Order(s) and February 15, 2014. The identity of the Second-Highest Bidder(s) and the amount and material terms of the Second-Highest Bid(s) shall be announced by LightSquared at the conclusion of the Auction. Following the entry of the Confirmation Order(s), if a Successful Bidder fails to consummate the Sale because of a breach or failure to perform on the part of such Successful Bidder, the Second-Highest Bidder for the applicable Assets will be deemed to be the Successful Bidder (and the Second-Highest Bid the Successful Bid), and LightSquared will be authorized and directed to consummate the Sale with such Second-Highest Bidder without further order

[8] For the avoidance of doubt, the Second Highest Bid(s) may contemplate the purchase of groupings or subsets of the Assets that are different from any groupings or subsets of the Assets reflected in the Successful Bid(s).

of the Bankruptcy Court. In such case, the defaulting Successful Bidder's Good Faith Deposit shall be forfeited to the applicable LightSquared estates, and LightSquared shall have the right to seek any and all other remedies and damages from the defaulting Successful Bidder, subject to the terms of, and the limitations and restrictions set forth in, the Proposed Agreement of the Successful Bidder or the Stalking Horse Agreement, as the case may be.

k. **Return of Good Faith Deposit.** Except as otherwise provided in this section (k) with respect to any Successful Bid or Second-Highest Bid, the Good Faith Deposits of all Qualified Bidders shall be returned upon or within five (5) business days after entry of the Confirmation Order(s). The Good Faith Deposit of the Successful Bidder(s) shall be held until funding of purchase price in connection with the Sale and applied in accordance with the Successful Bid(s). The Good Faith Deposit of the Second-Highest Bidder(s) shall be returned as set forth in section (j) above.

l. **Modifications.** At or before the Confirmation Hearing, consistent with these Bid Procedures and to obtain the highest or otherwise best offer(s) for the Assets, LightSquared, after consultation with the Stakeholder Parties, may impose such other terms and conditions as it may determine (after consultation with the Stakeholder Parties) to be in the best interests of LightSquared's estates and creditors.

m. **Reservation of Rights.** LightSquared may (i) determine which Qualified Bid(s), if any, constitutes the highest or otherwise best offer for the applicable Assets and (ii) reject at any time before entry of the Confirmation Order(s) approving one or more Qualified Bid, any bid that is: (A) inadequate or insufficient; (B) not in conformity with title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the "Bankruptcy Code"), these Bid Procedures, or the terms and conditions of the Sale; or (C) contrary to the best interests of LightSquared, its estates, its creditors, and other parties in interest. Nothing in these Bid Procedures shall, or shall be deemed to, unless otherwise provided for herein or by order of the Bankruptcy Court, (1) amend, modify, limit, or otherwise affect the terms or conditions of the Stalking Horse Agreements or the rights and remedies of the parties under applicable bankruptcy law; or (2) except for their consent to the applicable Stalking Horse Agreement, to the extent forthcoming, constitute the consent of the applicable lenders under the Prepetition LP Credit Agreement, the DIP Credit Agreement, or the Prepetition Inc. Credit Agreement to any sale or disposition of their collateral. Furthermore, nothing in these Bid Procedures or the Approval Order shall prohibit, restrict, or otherwise limit the ability of any party to file and prosecute any competing chapter 11 plan, including a plan that contemplates the retention by LightSquared, or the alternative disposition, of the Assets, or any ability of any party in interest to object to any plan or Sale, or contest any determinations made by LightSquared under these Bid Procedures.

n. **Expenses.** Any bidders presenting bids shall bear their own expenses in connection with the proposed sale, whether or not such sale is ultimately approved, except as provided in (i) the Expense Order or (ii) any Potential Stalking Horse Agreements.

o. **Highest Or Otherwise Best Bid.** Subject to the provisions of the Approval Order, whenever these Bid Procedures refer to a determination as to the highest or otherwise best offer, LightSquared, after consultation with the Stakeholder Parties, shall have the final authority to make such determinations, subject to approval of the Bankruptcy Court.

p. **Action of Independent Ad Hoc Secured Group.** To the extent these Bid Procedures contemplate the provision of consent or the taking of other actions by the Independent Ad Hoc Secured Group, such consent shall only be provided and/or such actions shall only be taken if supported by members of the Independent Ad Hoc Secured Group holding over 50% in principal amount of the claims under the Prepetition LP Credit Agreement held by the members of the Independent Ad Hoc Secured Group.

q. **Participation in Discussions with Potential Bidders.** To the extent practicable and subject to any confidentiality restrictions and LightSquared's duty and obligation to maximize value, the financial advisors for the Ad Hoc Secured Group and U.S. Bank and MAST shall be permitted to participate in all discussions with Potential Bidders and Qualified Bidders (and shall be given reasonable advance notice of all meetings and calls) and shall be copied on all correspondence with Potential Bidders and Qualified Bidders initiated by LightSquared or responses by LightSquared; provided, however, and subject to the foregoing, LightSquared shall use reasonable efforts to provide advance notice when such parties are excluded and, subject to the foregoing, an update after such discussions.

SCHEDULE 1-A

Form APA

PURCHASE AGREEMENT

by and among

LIGHTSQUARED INC.,

EACH OF THE OTHER SELLERS PARTY HERETO,

AND

[PURCHASER]

dated as of [ ], 2013

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EXHIBITS

PURCHASE AGREEMENT

This Purchase Agreement, dated as of [ ], 2013, is made and entered into by and among (i) LightSquared Inc., a Delaware corporation, LightSquared Investors Holdings Inc., a Delaware corporation, One Dot Four Corp., a Delaware corporation, One Dot Six Corp., a Delaware corporation, SkyTerra Rollup LLC, a Delaware limited liability company, SkyTerra Rollup Sub LLC, a Delaware limited liability company, TMI Communications Delaware, Limited Partnership, a Delaware limited partnership, SkyTerra Investors LLC, a Delaware limited liability company, LightSquared GP Inc., a Delaware corporation, LightSquared LP, a Delaware limited partnership, ATC Technologies, LLC, a Delaware limited liability company, LightSquared Corp., a Nova Scotia unlimited liability company, LightSquared Inc. of Virginia, a Virginia corporation, LightSquared Subsidiary LLC, a Delaware limited liability company, LightSquared Finance Co., a Delaware corporation, One Dot Six TVCC Corp., a Delaware corporation, LightSquared Network LLC, a Delaware limited liability company, Lightsquared Bermuda Ltd., a Bermuda limited company, SkyTerra Holdings (Canada) Inc., an Ontario corporation, and SkyTerra (Canada) Inc., an Ontario corporation (each, a "Seller" and collectively, "Sellers") and (ii) [ ] ("Purchaser")[1].

RECITALS

WHEREAS, Sellers are engaged in the business of (a) operating a mobile satellite service system, (b) developing a 4th Generation Long Term Evolution (4G LTE) wireless broadband network for terrestrial deployment and (c) holding certain rights to control, use and operate a wireless network in the United States that will provide a one-way video service using spectrum in the 1670-1675 MHz band (collectively, the "Business");[2]

WHEREAS, on May 14, 2012, LightSquared Inc. and the other Sellers filed voluntary petitions for relief 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"), which cases are being jointly administered under Case No. 12-12080 (such cases, collectively, the "Bankruptcy Cases");

WHEREAS, on May 18, 2012, the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court", and the proceeding before the Canadian Court, the "CCAA Recognition Proceeding") granted orders under Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36 (the "CCAA") that, among other things, recognized the Bankruptcy Cases as a "foreign main proceeding" pursuant to Part IV of the CCAA;

WHEREAS, on August 30, 2013, Sellers filed the *Debtors' Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* (as amended, modified and/or supplemented, the "Plan");

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[1] **Note to Draft:** Depending on identity of Purchaser a guarantee from a credit-worthy entity guaranteeing the performance of Purchaser's obligations under this Agreement may be required.

[2] **Note to Draft:** With respect to any bid for less than all of the assets of Sellers as contemplated by the Bidding Procedures Order, the definition of "Business" and other conforming changes in this Agreement will be adjusted as necessary.

WHEREAS, the Plan provides for Purchaser to purchase and acquire from Sellers certain assets and rights used in the operation of the Business, and Sellers to sell, convey, assign and transfer such assets and rights to Purchaser, in the manner and subject to the terms and conditions set forth herein and as authorized under Sections 105, 365, 1123(b)(4) and 1142(b) of the Bankruptcy Code; and

WHEREAS, Purchaser desires to assume from Sellers, certain liabilities, in the manner and subject to the terms and conditions set forth herein and as authorized under Sections 105, 365 and 1123(b)(2) and 1142(b) of the Bankruptcy Code.

NOW, THEREFORE, in consideration of the foregoing premises and the representations, warranties, covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I.

DEFINITIONS

The terms defined or referenced in Section 9.14, whenever used herein, shall have the meanings set forth therein for all purposes of this Agreement.

ARTICLE II.

PURCHASE AND SALE OF ASSETS

Section 2.1 Sale and Transfer of Assets. On the terms and subject to the conditions set forth in this Agreement, on the Closing Date, Sellers shall sell, transfer, convey, assign and deliver to Purchaser, and Purchaser shall purchase, acquire, assume and accept from Sellers, free and clear of all Liens (except for Permitted Liens and Liens related to Assumed Liabilities), all of Sellers' right, title and interest in and to all of their Assets used primarily in connection with the Business as currently conducted, other than the Retained Assets (collectively, the "Acquired Assets"), including (except as listed in Section 2.2):

(a) all Intellectual Property of Sellers used in or necessary for the conduct of the Business as currently conducted, including the items listed on Section 2.1(a) of the Disclosure Letter (the "Purchased Intellectual Property");

(b) all Contracts set forth on Section 2.1(b) of the Disclosure Letter (collectively, the "Designated Contracts");

(c) the Real Property used primarily in connection with the Business as currently conducted, including the Leased Real Properties (solely to the extent the applicable lease is a Designated Contract), all easements and rights of way and all buildings, fixtures and improvements erected on such Real Property;

(d) to the extent related to the Acquired Assets and Assumed Liabilities, all books, files, data, customer and supplier lists, cost and pricing information, business plans, quality

control records and manuals, blueprints, research and development files, personnel records of Transferred Employees to the extent the Transfer of such items is permitted under Applicable Law (excluding personnel files for employees who are not Transferred Employees) and related books and records;

(e) all computer systems, computer hardware and Software of Sellers used primarily in connection with the Business as currently conducted;

(f) all inventory, supplies, finished goods, works in process, goods-in-transit, packaging materials and other consumables of Sellers (collectively, the "Inventory") used or intended to be used primarily in connection with the Business as currently conducted;

(g) to the extent Transferable under Applicable Law, all Seller Permits;

(h) the mobile satellite service system owned or operated by Sellers (including Sellers' rights or rights of ownership and/or use with respect to the Company Satellites, earth stations, ancillary terrestrial facilities related to the mobile satellite service system, and other facilities and equipment related thereto, collectively, the "Mobile Satellite System");

(i) all machinery, vehicles, tools, equipment, furnishings, office equipment, fixtures, furniture, spare parts, tangible personal property and other fixed Assets which are owned by Sellers (and Sellers' right, title and interest in any leases relating to the same to the extent the applicable lease is a Designated Contract) used in connection with the Business, including all of Sellers' right, title and interest in or to all ground infrastructure, towers, transmission lines, antennas, microwave facilities, transmitters and related equipment used primarily in connection with the Business as currently conducted (collectively, the "Tangible Personal Property");

(j) all manufacturer's warranties to the extent related to the Acquired Assets and all claims under such warranties;

(k) to the extent Transferable under Applicable Law, all rights to the telephone numbers (and related directory listings), Internet domain names, Internet sites and other electronic addresses used by, assigned or allocated to Sellers and used primarily in connection with the Business as currently conducted;

(l) all prepaid expenses (excluding prepaid expenses related to Taxes) of Sellers relating to any portion of the Acquired Assets;

(m) all advances, withholdings or similar prepayments relating to Transferred Employees;

(n) all cash held in any security deposits, earnest deposits, customer deposits and other deposits and all other forms of security, in each case, deposited by a Third Party with Sellers for the performance of a contract or agreement which otherwise constitutes a portion of the Acquired Assets (collectively, the "Third Party Deposits");

(o) all customer relationships, goodwill and all other intangible assets relating to the Acquired Assets;

(p) each document relating to the technical operation of the existing Mobile Satellite System, excluding documents that are protected by attorney-client privilege or a similar privilege; and

(q) all other rights of each Seller in the Assets (other than the Retained Assets) owned by Sellers necessary to or utilized primarily in the operation of the Business as currently conducted.

Section 2.2 Retained Assets. Notwithstanding anything in this Agreement to the contrary, the Acquired Assets shall not include the following Assets which are to be retained by Sellers and not Transferred to Purchaser (collectively, the "Retained Assets"), it being understood that the Retained Assets shall be limited to the following:

(a) all Cash and Cash Equivalents on hand of Sellers as of the Closing Date net of Third Party Deposits;

(b) all rights of Sellers in and to all Contracts other than the Designated Contracts;

(c) all losses, loss carryforwards and rights to receive refunds, and credits with respect to any and all Taxes of Sellers (and/or of any of their Affiliates);

(d) all Tax Returns of Sellers;

(e) all personnel files for employees of Sellers who are not Transferred Employees and all personnel files of Transferred Employees that may not be Transferred under Applicable Laws;

(f) all books and records that Sellers are required by Applicable Law to retain or that relate to the Retained Assets or the Non-Assumed Liabilities;

(g) all customer relationships, goodwill and other intangible assets, except to the extent relating to the Acquired Assets;

(h) all Employee Benefit Plans, including all rights and any assets under any Employee Benefit Plan of Sellers which are not being assumed by Purchaser;

(i) all Canadian Plans (other than the Canadian registered pension plan and the retiree welfare benefits for the benefit of former Canadian employees of any Seller), including all rights and any assets under any Canadian Plans of the Sellers which are not being assumed by Purchaser;

(j) any directors and officers liability insurance policies of Sellers and any claims thereunder and the rights of Sellers thereunder and any proceeds thereof;

(k) all Accounts Receivable, whether or not reflected on the books of Sellers, arising out of sales or services occurring at or prior to the Closing, and all Intercompany Receivables;

(l) all rights and claims of Sellers with respect to those Assets listed in Section 2.2(l) of the Disclosure Letter;

(m) any Assets used by Sellers in connection with any of their respective businesses other than the Business;

(n) all documents and other materials covered by attorney-client privilege or another similar privilege;

(o) all rights, privileges, claims, demands, choses in action, prepayments, deposits, refunds, indemnification rights, warranty claims, offsets and other claims of Sellers against any Person ("Actions"), including any Avoidance Actions relating to the Acquired Assets;

(p) any Intellectual Property of any Seller other than the Purchased Intellectual Property;

(q) all right and claims of Sellers arising under this Agreement and the Ancillary Agreements; and

(r) all equity interests in any Seller, and all equity interests held by any Seller in any Subsidiary or any other Person, including all shares of capital stock (whether or not held in treasury), membership interests, or partnership interests.

Section 2.3 Assumption of Liabilities. Purchaser shall assume and become solely and exclusively liable for, upon the Closing, the following liabilities of Sellers and no others (collectively, the "Assumed Liabilities"):

(a) all liabilities and obligations of Sellers under the Designated Contracts to the extent arising after the Closing;

(b) all liabilities (including Taxes) relating to, or arising in respect of the Acquired Assets accruing, arising out of or relating to events, occurrences, acts or omissions occurring or existing after the Closing, or the ownership, possession or operation of the Business or the Acquired Assets after the Closing;

(c) the Cure Amounts;

(d) (i) all liabilities and obligations, whether arising prior to, on or after the Closing Date, with respect to all Transferred Employees, (ii) all liabilities and obligations accrued as of the Closing Date with respect to all individuals (other than Transferred Employees) who are employed by any of the Sellers immediately prior to the Closing and (iii) all liabilities and obligations accrued as of the termination date (plus, if applicable, any additional liabilities and obligations accrued after such termination date and on or before the Closing Date) with respect to all individuals who are employed by any of the Sellers as of the date of the Bankruptcy Court's entry of the Confirmation Order and who are terminated by Sellers prior to Closing, and in each such case including all accrued and contingent amounts, as of the Closing Date (and in the case of clause (iii) of this Section 2.3(d), as of the applicable termination date plus any additional liabilities and obligations accrued after such termination date and on or before the

Closing Date), with respect to wages, salary, vacation, workers' compensation obligations and other compensation, change of control and similar entitlements, and all termination and/or severance entitlements (including all such amounts that would customarily be paid by Sellers) and all liabilities and obligations (including any WARN Obligations) arising out of or resulting from layoffs or terminations in connection with the Transactions or arising as a consequence of the consummation of the Transactions or actions taken by or at the direction of Purchaser on or prior to the Closing Date;

(e) the Canadian registered pension plan and the retiree welfare benefits for the benefit of former Canadian employees of any Seller, including all rights and any assets under any such Canadian Plans; and

(f) all liabilities and obligations of Purchaser under Section 6.5 herein (together with the liabilities and obligations described in clauses (d) and (e) of this Section 2.3, the "Employee Obligations").

Section 2.4 Non-Assumed Liabilities. Notwithstanding anything in this Agreement to the contrary, and except as required by Applicable Law, Purchaser shall not assume, and shall be deemed not to have assumed, any Seller Liabilities or any obligations or liabilities of any of their Subsidiaries or Affiliates or the Business, other than the Assumed Liabilities specified in Section 2.3 (collectively, the "Non-Assumed Liabilities").

Section 2.5 The Purchase Price.

(a) Purchase Price. The total purchase price ("Purchase Price") shall be (i) the payment by Purchaser of $[___] (the "Closing Date Consideration") plus (ii) Purchaser's assumption of the Assumed Liabilities (including Purchaser's payment of the Cure Amounts and assumption of the Employee Obligations). The Purchase Price is payable as set forth in Section 2.5(b).

(b) Payment of Purchase Price and Other Sources of Funding.

(i) Simultaneously with the execution of this Agreement, the parties shall execute and deliver the Escrow Agreement and Purchaser shall contemporaneously deposit into the Escrow Account, by wire transfer of immediately available funds, cash in the amount of $[ ][3], which funds shall be held by the Escrow Agent and invested as provided for in the Escrow Agreement (such funds, the "Good Faith Deposit") and released by the Escrow Agent only in accordance with this Agreement and the Escrow Agreement.

(ii) On the Closing Date, the Good Faith Deposit shall be released from the Escrow Account to Sellers and credited against the Closing Date Consideration portion of the Purchase Price payable to Sellers.

[3] **Note to Draft:** The amount of the Good Faith Deposit will be set in accordance with the Bidding Procedures.

(iii) No later than three (3) calendar days after entry of the Confirmation Order and Confirmation Recognition Order, Purchaser shall cause the aggregate sum of the Cure Amounts to be deposited into the Escrow Account.

(iv) At the Closing, Purchaser shall pay to Sellers the Closing Date Consideration (net of the Good Faith Deposit released to Sellers from the Escrow Account) by wire transfer of immediately available funds to an account specified by Sellers in writing.

(c) Allocation of Purchase Price. Purchaser and Seller shall negotiate in good faith and determine, at least five (5) Business Days prior to the scheduled hearing date in the Canadian Court for the Confirmation Recognition Order, the allocation of the Purchase Price and any Assumed Liabilities not already taken into account among the Acquired Assets in accordance with Section 1060 of the Code and the Treasury regulations promulgated thereunder and the Income Tax Act, and shall agree upon a statement reflecting such allocation (such statement, the "Allocation Statement"). The Allocation Statement shall explicitly state the portion of the consideration allocable to the Acquired Assets being sold by the Canadian Sellers. If the IRS or any other taxation authority proposes a different allocation, Sellers or Purchaser, as the case may be, shall promptly notify the other party of such proposed allocation. Sellers or Purchaser, as the case may be, shall provide the other party with such information and shall take such actions (including executing documents and powers of attorney in connection with such proceedings) as may be reasonably requested by such other party to carry out the purposes of this section. Except as otherwise required by Applicable Law or pursuant to a "determination" under Section 1313(a) of the Code (or any comparable provision of United States state, local, or non-United States law), (i) the transactions contemplated by Article II of this Agreement shall be reported for all Tax purposes, including on IRS Form 8584, in a manner consistent with the terms of this Section 2.5(c); and (ii) neither party (nor any of their Affiliates) will take any position inconsistent with this Section 2.5(c) in any Tax Return or in any refund claim. Notwithstanding the allocation of the Purchase Price set forth in the Allocation Statement, nothing in the foregoing shall be determinative of values ascribed to the Acquired Assets or the allocation of the value of the Acquired Assets in any plan of reorganization or liquidation that may be proposed and Sellers reserve the right on their behalf and on behalf of Sellers' estates, to the extent not prohibited by Applicable Law and accounting rules, for purposes of any plan of reorganization or liquidation, to ascribe values to the Acquired Assets and to allocate the value of the Acquired Assets to different Sellers in the event of, or in order to resolve, inter-estate creditor disputes in the Bankruptcy Cases.

Section 2.6 [Post-Confirmation Funding]. [_____][4]

[4] **Note to Draft:** Post-confirmation funding for the Sellers to be addressed.

ARTICLE III.

CLOSING

Section 3.1 Closing.

(a) Upon the terms and subject to the conditions of this Agreement, the Closing shall take place at the offices of Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, NY 10005, at 10:00 a.m., New York City time as specified below, unless another date, time and/or place is agreed in writing by each of the parties hereto.

(b) The Closing shall occur on or before the date (the "Closing Date") that is not later than five (5) Business Days following the satisfaction and/or waiver of all conditions to the Closing as set forth in Article VII (other than conditions which by their nature can be satisfied only at the Closing). At the Closing, the Good Faith Deposit shall be released to Sellers and Purchaser shall deliver the Closing Date Consideration (net of the amount of the Good Faith Deposit released to Sellers from the Escrow Amount) to Sellers in accordance with Section 2.5(b). Unless otherwise agreed in writing by the parties hereto, the Closing shall be deemed effective and all right, title and interest of Sellers in the Acquired Assets and the Assumed Liabilities shall be deemed to have passed to Purchaser as of 11:59 p.m. (New York City time) on the Closing Date.

(c) Sellers will retain *de facto* and *de jure* ownership and control (within the meaning of the Communications Laws) of the Acquired Assets, including all FCC Licenses, FCC-licensed facilities, Industry Canada Licenses and Industry Canada-licensed facilities, until the Closing has occurred.

Section 3.2 Closing Deliveries by the Parties.

(a) At the Closing, Sellers shall deliver or cause to be delivered to Purchaser (unless previously delivered) each of the following:

(i) the officers' certificate referred to in Section 7.1(d);

(ii) the duly executed Bill of Sale and duly executed counterparts of each of the other Conveyance Documents in respect of the Acquired Assets;

(iii) the duly executed Assignment and Assumption Agreement;

(iv) a certification of non-foreign status for each Seller (other than Sellers organized in Canada or Bermuda) in a form and manner which complies with the requirements of Section 1445 of the Code and the Treasury regulations promulgated thereunder; provided, however, that provision of such certification shall not be a condition to Closing and the sole remedy for failure to provide such certification shall be that Purchaser shall be entitled to withhold any amount required to be withheld pursuant to Applicable Law as a result of such failure; and

(v) such other good and sufficient instruments of Transfer, in form and substance reasonably acceptable to Purchaser, as shall be effective to vest in Purchaser good title to the Acquired Assets.

(b) At the Closing, Purchaser shall deliver or cause to be delivered to Sellers (unless previously delivered) each of the following:

(i) the officers' certificate referred to in Section 7.2(d);

(ii) the Purchase Price, as provided in Section 2.5(b);

(iii) a duly executed Assignment and Assumption Agreement; and

(iv) such other good and sufficient instruments of assumption, in form and substance reasonably acceptable to Sellers, as shall be effective to cause Purchaser to assume the Assumed Liabilities.

(c) Notwithstanding any other term of this Agreement, Purchaser shall not have the right to terminate this Agreement in the event that any Designated Contract, other than the Designated Contracts set forth in Section 3.2(c) of the Disclosure Letter, is not, or cannot be, assigned to and/or assumed by Purchaser, or any Third Party fails to provide its consent, unless required, to the assignment to, and/or assumption by, Purchaser of any Designated Contract.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES OF SELLERS

Each Seller, with respect to itself only, hereby represents and warrants to Purchaser that the statements contained in this Article IV are true and correct as of the date of this Agreement, (i) except as otherwise stated in this Article IV, and (ii) except as set forth in the corresponding sections or subsections of the Disclosure Letter (it being agreed that disclosure of any information in a particular section or subsection of the Disclosure Letter shall be deemed disclosure with respect to any other section or subsection).

Section 4.1 Organization. Each Seller has been duly organized and is validly existing in good standing under the laws of its jurisdiction of incorporation or organization, with the requisite power and authority to own its properties and conduct its business as currently conducted. Each Seller is duly qualified, licensed or registered for the transaction of its business as currently conducted in, and is in good standing under the laws of each jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, license or registration, except to the extent that the failure to be so qualified, licensed or registered would not reasonably be expected to have a Material Adverse Effect.

Section 4.2 Authorization; Enforceability. Subject to the entry of the Confirmation Order and the Confirmation Recognition Order, each Seller has all requisite organizational power and authority to enter into, execute and deliver this Agreement and the other Ancillary Agreements to which it is or is to be a party and to perform its obligations hereunder and thereunder. The execution, delivery and performance by each Seller of this

Agreement and each of the other Ancillary Agreements to which it is or is to be a party, and the consummation by each Seller of the Transactions, have been duly authorized by all necessary organizational action on the part of each Seller. The board of directors (or other governing body or entity) of each Seller has resolved to recommend that the Bankruptcy Court approve this Agreement, the Ancillary Agreements and the Transactions. This Agreement has been and, when executed and delivered, each other Ancillary Agreement to which each of them is to be a party, will be, duly and validly executed and delivered by each Seller and, subject to the entry of the Confirmation Order and the Confirmation Recognition Order, and assuming due and valid execution and delivery hereof and thereof by Purchaser and each of the other parties thereto, as applicable, constitutes (in the case of this Agreement) and will constitute (in the case of each of the Ancillary Agreements) the valid and binding obligation of each Seller, enforceable against such Seller in accordance with its terms, subject to the laws of general application relating to bankruptcy, insolvency, and the relief of debtors and other laws of general application affecting enforcement of creditors' rights generally, rules of law governing specific performance, injunction relief and other equitable remedies.

Section 4.3 No Conflicts. Except as set forth in Section 4.3 of the Disclosure Letter, subject to the entry of the Confirmation Order and the Confirmation Recognition Order, the execution, delivery and performance of this Agreement and each other Ancillary Agreement, and the consummation of the Transactions will not (a) result in a violation of the certificate of incorporation, certificate of formation or bylaws or similar organizational document of any Seller or (b) result in the creation or imposition of any Lien upon or with respect to any Acquired Asset, other than the Permitted Liens or as would not reasonably be expected to have a Material Adverse Effect.

Section 4.4 Financial Statements.

(a) The audited consolidated balance sheet as of December 31, 2011 and related consolidated statements of income and cash flow of LightSquared Inc. (including the notes thereto) for the year ended December 31, 2011, reported on and accompanied by a report from Ernst & Young LLP (the "Audited Financial Statements"), copies of which have heretofore been furnished to Purchaser, were prepared in accordance with GAAP and present fairly in all material respects the consolidated financial position of LightSquared Inc. as at such date and the consolidated results of operations and cash flows of LightSquared Inc. for the year then ended.

(b) The unaudited consolidated balance sheet as of June 30, 2013 (the "Balance Sheet") and the related unaudited consolidated statements of income of LightSquared Inc. for the six month period ended June 30, 2013 (together with the Audited Financial Statements, the "Historical Financial Statements"), copies of which have heretofore been furnished to Purchaser, were prepared in accordance with Sellers' internal accounting practices.

Section 4.5 Real Property. Section 4.5 of the Disclosure Letter sets forth a complete list of (a) all material real property and interests in real property owned in fee by Sellers and used in connection with the Business (collectively, the "Owned Real Properties") and (b) all material Leased Real Properties. Sellers have good and valid fee title to the Owned Real Properties, free and clear of all Liens, except for Permitted Liens and defects in title or Liens that would not reasonably be expected to have a Material Adverse Effect. To the Knowledge of

Sellers, Sellers have not received any written notice of any default or event that with notice or lapse of time, or both, would constitute a default by any Seller under any material Real Property Leases.

Section 4.6 Tangible Personal Property. Sellers are in possession of and have good title to, or have valid leasehold interests in or valid rights under Contract to use, all material Tangible Personal Property that is used by them in the Business as currently conducted. All such Tangible Personal Property is free and clear of all Liens, other than Permitted Liens and Liens disclosed in Section 4.6 of the Disclosure Letter.

Section 4.7 Intellectual Property. Except as set forth in Section 4.7 of the Disclosure Letter, Sellers own or have valid licenses to use all material Purchased Intellectual Property used by them in the ordinary course of the Business as currently conducted, except to the extent the failure to be the owner or the valid licensee would not reasonably be expected to have a Material Adverse Effect. Except as set forth in Section 4.7 of the Disclosure Letter, to the Knowledge of Sellers, (a) none of the Sellers has received any written notification of any claim that any of the material Purchased Intellectual Property infringes on the Intellectual Property rights of any Third Party and (b) Sellers have not received any written notice of any default or any event that with notice or lapse of time, or both, would constitute a default under any material Purchased Intellectual Property license to which any Seller is a party or by which it is bound.

Section 4.8 Material Contracts.

(a) Section 4.8(a) of the Disclosure Letter sets forth a complete and accurate list of the following Contracts to which any Seller is a party and that are primarily related to the Business or by which any of the Acquired Assets are bound (each a "Material Contract"), including:

(i) all material partnership, joint venture, shareholders' or other similar Contracts with any Person in connection with the Business;

(ii) all material Contracts to which a Governmental Entity is a party;

(iii) all material leases of terrestrial or satellite radio frequencies by any Seller, and all material Contracts granting any Seller terrestrial spectrum rights;

(iv) all material Contracts related to the siting, buildout, and servicing of any mobile communications service network to be operated by any Seller in reliance on the FCC Licenses, Industry Canada Licenses, or rights conferred upon any Seller thereby;

(v) all material Contracts purporting to materially restrict, constrain, or direct Seller's use of the FCC Licenses, Industry Canada Licenses, or rights conferred upon the Sellers thereby or design of Seller's mobile communications services and related equipment;

(vi) all material Contracts relating to a Seller's or Third Party's rights with respect to the use of the satellite capacity of any Company Satellite, or

materially constraining the use of the satellite capacity of any Company Satellite or its associated feeder links;

(vii) all material Contracts for or related to the design, construction or launch of any Company Satellite;

(viii) all Contracts relating to the future disposition or acquisition of any Assets that would be Acquired Assets and that are material to the Business, other than dispositions or acquisitions of Inventory in the ordinary course of business; and

(ix) any other Contract with respect to the Business that (A) involves the payment or potential payment, pursuant to its terms, by or to Sellers of more than $[ ] annually and (B) cannot be terminated within [ ] days after giving notice of termination without resulting in any material cost or penalty to Sellers.

(b) Except for defaults arising as a result of or in connection with the Bankruptcy Cases and the CCAA Recognition Proceeding and as set forth in Section 4.8(b) of the Disclosure Letter, Sellers have not received any written notice of any default or event that with notice or lapse of time or both would constitute a default by any Seller under any Material Contract, except for defaults that would not reasonably be expected to have a Material Adverse Effect.

Section 4.9 Absence of Certain Developments. Except as set forth in Section 4.9 of the Disclosure Letter, from January 1, 2013 to the date of this Agreement, no Seller has suffered any change or development which has had or would be reasonably likely to have a Material Adverse Effect.

Section 4.10 No Undisclosed Liabilities. To the Knowledge of Sellers, except (a) as disclosed or reflected in the Historical Financial Statements, (b) as incurred in the ordinary course of business consistent with past practice, and (c) professional fees and expenses accrued in the Bankruptcy Cases or the CCAA Recognition Proceeding, no Seller has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) that would have been required to be reflected in, reserved against or otherwise described in the Balance Sheet or the notes thereto in accordance with GAAP other than Non-Assumed Liabilities and liabilities or obligations that would not reasonably be expected to have a Material Adverse Effect.

Section 4.11 Litigation. Except for the Bankruptcy Cases and the CCAA Recognition Proceedings and as set forth in Section 4.11 of the Disclosure Letter, there are no legal, governmental or regulatory actions, suits, proceedings or investigations pending or, to the Knowledge of Sellers, threatened to which any Seller is or may be a party or to which any property of any Seller, any director or officer of a Seller in their capacities as such, or the Business, Assumed Liabilities or Acquired Assets is or may be the subject that if determined adversely to Sellers, would reasonably be expected to have a Material Adverse Effect.

Section 4.12 Permits and Compliance with Laws.

(a) Sellers are in compliance with all Applicable Laws (other than Environmental Laws) applicable to their respective operations or assets or the Business, except where the failure to be in compliance would not have a Material Adverse Effect.

(b) Except as set forth in Section 4.12(b) of the Disclosure Letter, (i) no Seller has received written notification from any Governmental Entity (A) asserting a violation of any Applicable Law regarding the conduct of the Business; (B) threatening to revoke any Permit; or (C) restricting or in any way limiting its operations as currently conducted, except for notices of violations, revocations or restrictions which would not reasonably be expected to have a Material Adverse Effect and (ii) no Seller is in default or violation of any term, condition or provision of any Seller Permit to which it is a party, except where such default or violation would not reasonably be expected to have a Material Adverse Effect.

(c) Section 4.12(c) of the Disclosure Letter sets forth a true and correct list of all Permits held by Sellers for the ownership, lease, use and operation of Acquired Assets and used primarily in connection with the Business (collectively, the "Seller Permits") as presently in effect and a true and correct list of all material pending applications for Permits, that would be Seller Permits if issued or granted and all material pending applications by Sellers for modification, extension or renewal of the Seller Permits. Except as set forth in Section 4.12(c) of the Disclosure Letter, all Seller Permits constitute Acquired Assets.

Section 4.13 Taxes.

(a) Each Seller has timely filed or caused to be filed all United States federal, state, local and non-United States Tax Returns required to have been filed that are material to Sellers, taken as a whole, and each such Tax Return is true, complete and correct in all material respects.

(b) Each Seller has timely paid or caused to be timely paid all Taxes shown to be due and payable by it or them on the returns referred to in Section 4.13(a) and all other Taxes or assessments (or made adequate provision (in accordance with GAAP) for the payment of all Taxes due) with respect to all periods or portions thereof ending on or before the Closing Date (except Taxes or assessments that are being contested in good faith by appropriate proceedings and for which any Seller has set aside on its books adequate reserves in accordance with GAAP, and except which Taxes, if not paid or adequately provided for, would not reasonably be expected to have a Material Adverse Effect).

(c) Except as set forth in Section 4.13(c) of the Disclosure Letter, to the Knowledge of Sellers, no material United States federal, state, local or non-United States federal, provincial, local or other audits, examinations, investigations or other administrative proceedings or court proceedings have been commenced or are presently pending or threatened in writing with regard to any Taxes or Tax Returns with respect to the Acquired Assets. There is no material unresolved dispute or claim concerning any Tax liability with respect to the Acquired Assets either claimed or raised by any Tax Authority in writing.

(d) Except as would not reasonably be expected to have a Material Adverse Effect, all Taxes with respect to the Acquired Assets that any Seller is (or was) required by Applicable Law

to withhold or collect in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party have been duly withheld or collected, and have been timely paid to the proper authorities to the extent due and payable, except to the extent that Purchaser will not have liability following the Closing with respect to any of the foregoing.

(e) Other than Permitted Liens or as set forth in Section 4.13(e) of the Disclosure Letter, there are no statutory Liens for Taxes upon any of the Acquired Assets or the Business.

(f) No Seller, other than the Canadian Sellers, is selling property that is taxable Canadian property for purposes of the Income Tax Act.

(g) LightSquared Corp. and SkyTerra (Canada) Inc. are registered under Part IX of the *Excise Tax Act* (Canada) and have provided, or will provide prior to the Closing Date, Purchaser with their respective registration numbers.

(h) The Canadian Sellers are not non-residents of Canada for purposes of the Income Tax Act.

(i) Except for the representations and warranties contained in this Section 4.13, Sellers make no express or implied representation or warranty with respect to Taxes.

Section 4.14 Employees. Sellers have made available to Purchaser a complete and accurate list of all current employees of Sellers and each such employee's respective positions, dates of hire or engagement, current annual salary and any other relevant compensation and benefits. Sellers shall update periodically the information provided pursuant to this Section 4.14, to reflect new hires, terminations and the commencement of approved leaves of absence.

Section 4.15 Compliance With ERISA and Canadian Plans.

(a) Section 4.15(a) of the Disclosure Letter contains a complete and accurate list of all material Employee Benefit Plans and Canadian Plans of Sellers. No "employee benefit plan" (as defined in Section 3(3) of ERISA) maintained by Sellers or any of their ERISA Affiliates within the preceding six (6) years is (i) a "multiemployer plan" (as defined in Section 3(37) of ERISA), (ii) subject to Title IV of ERISA, Section 302 of ERISA or Section 412 of the Code or (iii) a plan described in Section 4063(a) of ERISA and, except as would not reasonably be expected to have a Material Adverse Effect, no event has occurred and no condition exists that would be reasonably expected to subject Sellers, either directly or by reason of their affiliation with any ERISA Affiliate, to any Tax, Lien, penalty or other liability imposed by ERISA, the Code or other Applicable Law. Each Employee Benefit Plan that is intended to be tax-qualified under Section 401(a) of the Code has received a favorable determination or opinion letter (as applicable) from the IRS as to the tax-qualified status of such Employee Benefit Plan, and no event has occurred that could reasonably be expected to adversely affect the tax-qualified status of such Benefit Plan or the trusts created thereunder.

(b) Except for such noncompliance which would not reasonably be expected to have a Material Adverse Effect, each Seller is in compliance (i) with all Applicable Laws with respect

to any employee pension benefit plan or other employee benefit plan governed by the laws of a jurisdiction other than the United States and (ii) with the terms of any such plan.

(c) Except as set forth in Section 4.15(c) of the Disclosure Letter, (i) each of the Canadian Plans is and has been established, maintained, funded, invested and administered in compliance in all material respects with its terms, all employee plan summaries and booklets and with Applicable Laws, (ii) current and complete copies of all written Canadian Plans (or, where oral, written summaries of the material terms thereof) have been provided or made available to Purchaser, (iii) no Seller currently sponsors, maintains, contributes to or has any liability, nor has ever sponsored, maintained, contributed to or incurred any liability under a "registered pension plan" or a "retirement compensation arrangement" or a "deferred profit sharing plan", each as defined under the Income Tax Act, a "pension plan" as defined under applicable pension standards legislation, or any other plan organized and administered to provide pensions for employees other than as required by Applicable Law, (iv) no amendments or promises of benefit improvements under the Canadian Plans have been made or will be made prior to the Closing Date by any Seller to its Canadian employees or former Canadian employees, except as required by the terms of such plans or Applicable Laws (and any such amendments shall be communicated to Purchaser in writing before the Closing), (v) no Seller currently sponsors, maintains, contributes to or has any liability, nor has ever sponsored, maintained, contributed to or incurred any liability under a Defined Benefit Plan or a Canadian Union Plan, and (vi) no Canadian Plan promises or provides retiree welfare benefits (except for those employees hired prior to January 1, 2002 or as required by Applicable Law) or retiree life insurance benefits or any other non-pension post-retirement benefits to any Person. In addition, no Canadian Plan is presently or will, at any time prior to or on the Closing Date, be in the process of being wound-up, except where such wind-up has been consented to in advance in writing by Purchaser.

(d) Except as would not reasonably be expected to have a Material Adverse Effect or as set forth in Section 4.15(d) of the Disclosure Letter, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement, will (either alone or in conjunction with any other event) result in, cause the accelerated vesting or delivery of, or increase the amount or value of, any payment or benefit to any employee of Sellers or result in any breach or violation of, or a default under, any of the Employee Benefit Plans or Canadian Plans.

Section 4.16 Company Satellites.

(a) Sellers have previously made available to Purchaser copies of all applicable status reports with respect to the orbital location, data transmission capabilities, operational status and the remaining useful life of the Company Satellites.

(b) Except as set forth in Section 4.16(b) of the Disclosure Letter, as of the date hereof, Sellers have no Knowledge of any material claims(s) with respect to any Seller's use of the frequency assignment(s) described in their ITU filings at any such orbital locations(s).

(c) Section 4.16(c) of the Disclosure Letter contains a summary, to the Knowledge of Sellers, of instances of ongoing harmful interference into the operations of the Company Satellites.

Section 4.17 Company Earth Stations. Except as would not reasonably be expected to have a Material Adverse Effect, to the Knowledge of Sellers, the material improvements to each Company Earth Station and all material items of equipment used in connection therewith are in good operating condition and repair and are suitable for their intended purposes, subject to normal wear and tear. To the Knowledge of Sellers, as of the date hereof, no other radio communications facility is causing interference to the transmissions from or the receipt of signals by any Company Satellite or Company Earth Station, except for any instances of interference that would not reasonably be expected to have a Material Adverse Effect.

Section 4.18 Labor Relations.

Except as set forth in Section 4.18 of the Disclosure Letter, (a) no Seller is a party to any labor or collective bargaining agreement and (b) except in each case as would not reasonably be expected to have a Material Adverse Effect, there are no (i) strikes, work stoppages, work slowdowns or lockouts pending or, to the Knowledge of Sellers, threatened against or involving any Seller or (ii) unfair labor practice charges, grievances or complaints pending or, to the Knowledge of Seller, threatened by or on behalf of any employee or group of employees of any Seller.

Section 4.19 Canada Labor Relations. To the Knowledge of Sellers, except as set forth in Section 4.19 of the Disclosure Letter and except as would not reasonably be expected to have a Material Adverse Effect, (a) no Seller has made any agreements, whether directly or indirectly, with any labor union, employee association or any similar entity or made any commitments to or conducted negotiations with any labor union or employee association or other similar entity with respect to any future agreements, (b) no trade union, employee association or other similar entity has any bargaining rights acquired either by certification or voluntary recognition with respect to any employees of any Seller, (c) no Seller is aware of any attempt to organize or establish any labor union, employee association or other similar entity affecting the Business, (d) there are no outstanding labor relations tribunal proceedings of any kind, including any proceedings which could result in certification of a trade union as bargaining agent for the employees, and there have not been any such proceedings within the last two (2) years, (e) there are no threatened or apparent union organizing activities involving employees of any Seller, and (f) there is no labor strike, dispute, slowdown, stoppage, refusal to work or other labor difficulty pending, involving, threatened against or affecting Sellers or the Business.

Section 4.20 Brokers. Except with respect to fees payable to Moelis & Company, LLC, and except as set forth in Section 4.20 of the Disclosure Letter, no Seller is a party to any Contract, agreement or understanding with any Person that would give rise to a valid claim against Purchaser for a brokerage commission, finder's fee or like payment in connection with the Transactions.

Section 4.21 Environmental Matters. Except as set forth in Section 4.21 of the Disclosure Letter or except as to matters that would not reasonably be expected to have a Material Adverse Effect: (a) no written notice, request for information, claim, demand, order, complaint or penalty has been received by any Seller, and there are no judicial, administrative or other actions, suits or proceedings pending or, to the Knowledge of Sellers, threatened, which

allege a violation of or liability under any Environmental Laws, in each case relating to any Seller or any of the Acquired Assets, (b) each Seller has all Permits necessary for its operations (as currently conducted) to comply with all applicable Environmental Laws and is in compliance with the terms of such Permits and with all other applicable Environmental Laws, and (c) to the Knowledge of Sellers, no Hazardous Material is located at, in, or under any property currently owned, operated or leased by any Seller that would reasonably be expected to give rise to any liability or obligation of any Seller under any Environmental Laws.

Section 4.22 Title to Assets; Sufficiency of Assets.

(a) Except as set forth in Section 4.22 of the Disclosure Letter and except with respect to the Communications Licenses requiring FCC Consent and/or Industry Canada Consent, and other than Real Property or personal property that is leased by any Seller as lessee and any Purchased Intellectual Property that is licensed by any Seller as licensee, Sellers own each of the Acquired Assets and, as of the Closing Date, shall cause to be delivered to Purchaser, good and valid title to or, in the case of such leased or licensed property, a valid and binding leasehold interest in or license to or rights under (as the case may be), all of the Acquired Assets, free and clear of all Liens, other than Permitted Liens, to the fullest extent permissible under Section 1123 of the Bankruptcy Code and applicable provisions of the CCAA.

(b) The Acquired Assets constitute all of the necessary Assets used by Sellers to operate the Business as it is currently operated, except for (i) employees of Sellers that are not Transferred Employees and (ii) the Retained Assets.

Section 4.23 Related Party Transactions. Except as set forth in Section 4.23 of the Disclosure Letter, no Seller is a party to any Contracts with any officer, director or Affiliate of any Seller (other than another Seller) related to the Acquired Assets or the conduct of the Business which are material to the Business.

Section 4.24 No Other Representations or Warranties. Except for the representations and warranties contained in this Article IV (as modified by the Disclosure Letter), neither Sellers nor any other Person makes any other express or implied representation or warranty (either written or oral), including any express or implied representation as to the accuracy or completeness of any information (either written or oral), with respect to Sellers, the Business, the Acquired Assets, the Assumed Liabilities or the Transactions and any Ancillary Agreement, and Sellers disclaim any other representations or warranties, whether made by Sellers, their Affiliates or any other Person. It is expressly understood that, except as otherwise expressly provided herein, Purchaser takes the Acquired Assets "as is" and "where is". Except for the representations and warranties contained in this Article IV (as modified by the Disclosure Letter), Sellers (a) expressly disclaim and negate any representation or warranty, expressed or implied, at common law, by statute, or otherwise, relating to the condition of the Acquired Assets (including any implied or expressed warranty of merchantability, suitability or fitness for a particular purpose, or of conformity to models or samples of materials) and (b) expressly disclaim all liability and responsibility for any representation, warranty, projection, forecast, statement, omission, or information made, communicated, or furnished (orally or in writing) to Purchaser or its Affiliates or representatives (including any opinion, information, projection, or advice that may have been or may be provided to Purchaser by any Person). Sellers make no

representations or warranties to Purchaser regarding the probable success or profitability of the Business.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser hereby represents and warrants to Sellers that the statements contained in this Article V are true and correct as of the date of this Agreement.

Section 5.1 Organization. Purchaser is a [ ] duly organized, validly existing and in good standing under the laws of [ ]. Purchaser is duly qualified, licensed or registered to do business and is in good standing in each jurisdiction where the nature of the property owned or leased by it or the nature of the business conducted by it makes such qualification, license or registration necessary. Purchaser is a U.S. person as defined under 22 CFR Part 120.15 and is not owned or controlled by a foreign person as defined in 22 CFR Part 122.

Section 5.2 Authorization; Enforceability. Purchaser has all requisite corporate power and authority to enter into this Agreement and the other Ancillary Agreements to which Purchaser is a party. The execution, delivery and performance by Purchaser of this Agreement and each of the other Ancillary Agreements to which Purchaser is a party, and the consummation by Purchaser of the Transactions, have been duly authorized by all necessary corporate action on the part of Purchaser. Subject to the entry of the Confirmation Order and the Confirmation Recognition Order, this Agreement and, when executed, each other Ancillary Agreement to which Purchaser is a party, have been duly and validly executed and delivered by Purchaser and, assuming due and valid execution and delivery by Sellers, constitute the valid and binding obligation of Purchaser, enforceable against Purchaser in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency, and the relief of debtors and other laws of general application affecting enforcement of creditors' rights generally, rules of law governing specific performance, injunctive relief and other equitable remedies.

Section 5.3 No Conflicts. Subject to the entry of the Confirmation Order and the Confirmation Recognition Order, the execution, delivery and performance of this Agreement and each other Ancillary Agreement, and the consummation of the Transactions will not (a) result in a violation of the certificate of incorporation, certificate of formation or bylaws or similar organizational document of Purchaser or (b) assuming receipt of all consents and approvals identified in Section 5.4 of the Purchaser Disclosure Letter or otherwise in this Agreement, result in a violation of any Applicable Law, or any applicable order, notice or decree of any court or other Governmental Entity applicable to Purchaser.

Section 5.4 Consents and Approvals. Except as set forth in Section 5.4 of the Purchaser Disclosure Letter, no consent, approval, authorization, order, registration or qualification of or with any Governmental Entity having jurisdiction over Purchaser or any of its properties is required for the execution and delivery by Purchaser of the Agreement and the Ancillary Agreements and performance of and compliance by Purchaser with all of the

provisions hereof and thereof and the consummation of the Transactions, except (a) the entry of the Confirmation Order and the expiration, or waiver by the Bankruptcy Court, of the 14-day period set forth in Bankruptcy Rules 6004(h) and 3020(e), as applicable, and the entry of the Confirmation Recognition Order and the expiry of any appeal periods in respect thereof, (b) filings with respect to and any consents, approvals or expiration or termination of any waiting period, required under any United States or foreign antitrust or investment laws which may include the Competition Act, the Investment Canada Act, the HSR Act and any other Regulatory Approvals required, (c) the FCC Consent and (d) the Industry Canada Approval.

Section 5.5 Financial Capability. Purchaser (a) has as of the date hereof and will have at all times from the date of this Agreement until the Closing Date access to sufficient funds available to pay the Purchase Price and any expenses incurred by Purchaser in connection with the Transactions, and (b) has as of the date hereof and will have at all times from the date hereof until the Closing Date the resources and capabilities (financial or otherwise) to perform its obligations hereunder.

Section 5.6 Bankruptcy. There are no bankruptcy, reorganization or arrangement proceedings pending against, being contemplated by, or to the Knowledge of Purchaser, threatened against, Purchaser.

Section 5.7 Broker's, Finder's or Similar Fees. There are no brokerage commissions, finder's fees or similar fees or commissions payable by Purchaser in connection with the Transactions.

Section 5.8 Litigation. Except as set forth in Section 5.8 of the Purchaser Disclosure Letter, there are no legal, governmental or regulatory actions, suits, proceedings or investigations resolved, pending or, to the Knowledge of Purchaser, threatened to which Purchaser is or may be a party or to which any property of Purchaser, any Affiliate or Subsidiary of Purchaser, any director or officer of Purchaser or any Affiliate or Subsidiary thereof in his or her capacity as such is or may be the subject that has had or could reasonably be expected to result in any delay or denial of any consent or approval identified in Section 5.4 of the Purchaser Disclosure Letter or prevent or delay Purchaser from performing its obligations hereunder.

Section 5.9 Investment Canada Act. Purchaser is a "WTO Investor" as that term is defined in the Investment Canada Act.

Section 5.10 Condition of Business. Notwithstanding anything contained in this Agreement to the contrary, Purchaser acknowledges and agrees that no Seller, its Affiliates or any other Person is making any representations or warranties whatsoever, express or implied, beyond those expressly given by Sellers in Article IV hereof (as modified by the Disclosure Letter), and Purchaser acknowledges and agrees that, except for the representations and warranties contained therein, the Acquired Assets are being transferred on a "where is" and, as to condition, "as is" basis. Purchaser further represents that no Seller, its Affiliates or any other Person has made any representation or warranty, express or implied as to the accuracy or completeness of any information regarding Sellers, the Business or the transactions contemplated by this Agreement not expressly set forth in Article IV (as modified by the Disclosure Letter),

and no Seller, its Affiliates or any other Person will have or be subject to liability to Purchaser or any other Person resulting from the distribution to Purchaser or its representatives of Purchaser's use of any such information. Purchaser acknowledges that it has conducted to its satisfaction its own independent investigation of the Business and, in making the determination to proceed with the Transactions, Purchaser has relied on the results of its own independent investigation.

Section 5.11 Solvency. Immediately after giving effect to the Transactions contemplated by this Agreement, Purchaser shall be Solvent. For purposes of this Section 5.11, "Solvent" means, with respect to Purchaser, that it: (a) is able to pay its debts as they become due and shall own property having a fair saleable value greater than the amounts required to pay its debts (including a reasonable estimate of the amount of all contingent liabilities) and (b) has adequate capital to carry on its business.

Section 5.12 Compliance with Communications Laws. Purchaser is in compliance with all relevant Communications Laws. There is no claim, action, suit, investigation, litigation or proceeding regarding Purchaser's compliance with any provision of the Communications Laws or the international radio regulations, rules, published decisions and written policies of the ITU, pending or threatened in the FCC, ITU, Industry Canada, any court or before any Governmental Entity.

Section 5.13 Qualification to Hold Communications Licenses. Purchaser is legally, financially and otherwise qualified under the Communications Laws to own, hold and control the Communications Licenses and the Acquired Assets as contemplated by this Agreement and to perform its obligations hereunder and thereunder. No fact or circumstance exists that (a) would reasonably be expected to prevent or delay, in any material respect, (i) the issuance of the FCC Consent or (ii) the issuance of the Industry Canada Consent, or (b) would reasonably be expected to cause the FCC or Industry Canada acting pursuant to the Communications Laws to impose any adverse condition or conditions on the Transactions contemplated by this Agreement.

ARTICLE VI.

COVENANTS

Section 6.1 Interim Operations of the Business. From the date hereof through the Closing, Sellers covenant and agree that, except as expressly provided in this Agreement or the Plan, as required by Applicable Law, as set forth in Section 6.1 of the Disclosure Letter, or with the prior written consent of Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed):

(a) Sellers shall (i) cause the Business to be conducted in the ordinary course consistent with past practice (including with respect to regulatory matters), (ii) subject to prudent management of workforce and business needs, use commercially reasonable efforts to (A) preserve the present business operations, organization and goodwill of the Business and (B) preserve the existing relationships with customers, suppliers and vendors of the Business; and

(b) Sellers shall not:

(i) other than in accordance with past practice, (A) materially increase the annual level of compensation of any director or executive officer of any Seller, (B) grant any unusual or extraordinary bonus, benefit or other direct or indirect compensation to any director or executive officer of any Seller, (C) increase the coverage or benefits available under any (or create any new) Employee Benefit Plan or Canadian Plan or (D) enter into any employment, deferred compensation, severance, consulting, non-competition or similar agreement (or amend any such agreement) to which any Seller is a party or involving a director or executive officer of any Seller, except, in each case, as required by Applicable Law from time to time in effect or by any of the Employee Benefit Plans or Canadian Plans;

(ii) make or rescind any material election relating to Taxes, settle or compromise any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes, or except as may be required by Applicable Law or GAAP, make any material change to any of its methods of accounting or methods of reporting income or deductions for Tax or accounting practice or policy from those employed in the preparation of its most recent Tax Returns;

(iii) modify, amend, waive, release, compromise, settle or assign any material rights or claims related to or under any Designated Contract;

(iv) modify any Communications Licenses held by Sellers and necessary for the operation of the Business as currently conducted, except for such modifications pursuant to pending applications of Sellers as of the date hereof or which are reasonably required in the judgment of Sellers in order to maintain the Communications Licenses in effect or otherwise advance the objectives of the Business;

(v) sell, lease, transfer or otherwise dispose of any material Assets that would be Acquired Assets, other than in the ordinary course of business; or

(vi) enter into any Contract to do any of the foregoing.

Section 6.2 Access; Confidentiality.

(a) From the date hereof until the earlier of (i) termination of this Agreement and (ii) the Closing, Sellers, in connection with the performance of their obligations under this Agreement, will, upon reasonable notice, give Purchaser and its employees, accountants, financial advisors, counsel and other representatives reasonable access during normal business hours to the offices, properties, books and records of Sellers relating to the Acquired Assets, the Assumed Liabilities, and the Business; provided, that (A) all activities covered by this Section 6.2(a) shall be at the sole cost and expense of Purchaser and (B) any such activities shall be conducted in such manner as not to interfere unreasonably with Sellers' conduct of the

Business. Notwithstanding anything herein to the contrary, no such investigation or examination shall be permitted to the extent that it would require Sellers to disclose information, (1) subject to attorney-client privilege, (2) in violation of any competition or anti-trust laws, (3) that conflicts with any confidentiality obligations to which Sellers are bound or (4) related to regulatory activities permitted under Section 6.1(b)(iv) of this Agreement.

(b) Purchaser shall cooperate with Sellers and make available to Sellers such documents, books, records or information Transferred to Purchaser and relating to activities of the Business prior to the Closing as Sellers may reasonably require in connection with any Tax determination or contractual obligations to Third Parties or to defend or prepare for the defense of any claim against Sellers or to prosecute or prepare for the prosecution of claims against Third Parties by Sellers relating to the conduct of the Business by Sellers prior to the Closing or in connection with any governmental investigation of Sellers or any of its Affiliates; provided, that any such activities pursuant to this provision shall be at the sole cost and expense of Sellers and shall be conducted in such manner as not to interfere unreasonably with the conduct of the business of Purchaser.

(c) For a period extending seven (7) years after the Closing Date, no party shall destroy any files or records which are subject to this Section 6.2 without giving the other parties hereto reasonable notice and the opportunity to agree in writing, within fifteen (15) days of the date of such notice, to take delivery of such files or records at the expense of such other party or parties.

Section 6.3 Efforts to Close; Consents and Regulatory Approvals.

(a) At all times prior to the Closing, upon the terms and subject to the conditions of this Agreement, Sellers and Purchaser shall use their commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done all things necessary, proper or advisable (subject to any Applicable Laws) to cause the fulfillment at the earliest practicable date of all of the conditions to their respective obligations under this Agreement and to consummate the Closing and the other Transactions as promptly as practicable, including the preparation and filing of all forms, registrations and notices required to be filed or advisable to consummate the Closing and the other Transactions.

(b) Each of Purchaser and Sellers shall bear their own costs, fees and expenses relating to the obtaining of any Required Regulatory Approvals and any other approvals, authorizations, consents, releases, orders, licenses, Permits, qualifications, exemptions or waivers obtained in connection with this Agreement and the Transactions, except that Purchaser shall pay 100% of (i) the filing fees required by the Competition Bureau in relation to any pre-merger notification filing or any filing of a request for an Advance Ruling Certificate made under the Competition Act, (ii) any filing fees associated with the filings related to the FCC Consent and Industry Canada Approval, and (iii) the filing fees associated with any filings under the HSR Act or its implementing regulations.

(c) Prior to the Closing Date, other than with respect to the Investment Canada Approval, each of Sellers, on the one hand, and Purchaser, on the other hand, shall promptly consult with the other with respect to, provide any necessary information with respect to, and

provide the other (or its counsel) with copies of, all filings made by such party with any Governmental Entity or any other information supplied by such party to a Governmental Entity in connection with this Agreement and the Transactions. Each of Sellers, on the one hand, and Purchaser, on the other hand, shall promptly provide the other with copies of any written communication received by it from any Governmental Entity regarding any of the Transactions. If any of Sellers or their respective Affiliates, on the one hand, and Purchaser or its Affiliate, on the other hand, receives a request for additional information or documentary material from any such Governmental Entity with respect to any of the Transactions, then such party shall endeavor in good faith to make, or cause to be made, as soon as reasonably practicable and after consultation with the other, an appropriate response in compliance with such request.

(d) Sellers and Purchaser shall use their reasonable best efforts to obtain, or cause to be obtained, as promptly as possible, all Required Regulatory Approvals. Each Party shall cooperate fully with the other Parties in promptly seeking to obtain all such consents, authorizations, orders and approvals. In addition, subject to the terms of this Agreement, no party hereto shall take any action after the date hereof that would reasonably be expected to materially delay the obtaining of, or result in not obtaining, any Required Regulatory Approval. Each Party hereto agrees to make an appropriate filing pursuant to the HSR Act with respect to the Transactions within ten (10) Business Days after the date hereof and to make any required filing pursuant to the Competition Act with respect to the Transactions within twenty (20) Days after the date hereof, and to supply as promptly as practicable any additional information and documentary material that may be requested by any Governmental Entity pursuant to the HSR Act or the Competition Act. Without limiting the generality of Purchaser's undertakings pursuant to this Section 6.3(d), Purchaser shall use its reasonable best efforts and take any and all steps necessary to avoid or eliminate each and every impediment that may be asserted by any Governmental Entity or any other Person so as to enable the parties hereto to obtain the Required Regulatory Approvals and consummate the Transactions as promptly as possible, including proposing, negotiating, committing to and effecting, by consent decree, hold separate orders or otherwise, the sale, divestiture, disposition, or restriction in the use, of any of its assets, properties or businesses or of the assets, properties or businesses to be acquired by it pursuant to this Agreement as required in order to avoid the entry of, or to effect the dissolution of, any injunction, temporary restraining order or other order in any suit or proceeding, which would otherwise have the effect of materially delaying or preventing the consummation of the Transactions. In addition, Purchaser shall use its reasonable best efforts to defend through litigation on the merits any claim asserted before a Governmental Entity by any Person in order to avoid entry of, or to have vacated or terminated, any order, notice or decree (whether temporary, preliminary or permanent) that would restrain, enjoin or otherwise prohibit the consummation of the Transactions. Notwithstanding the foregoing or any other covenant herein contained, nothing in this Agreement shall be deemed to require Sellers to (i) commence any litigation against any Person in order to facilitate the consummation of any of the Transactions, (ii) take or agree to take any other action or agree to any limitation that would reasonably be expected to have a Material Adverse Effect or (iii) refrain from engaging in regulatory activities otherwise permitted under Section 6.1(b)(iv) of this Agreement.

(e) Sellers and Purchaser shall use their commercially reasonable efforts to obtain, and to cooperate with each other to obtain, at the earliest practicable date all consents and approvals (other than the Required Regulatory Approvals) required to consummate the Closing

and the other Transactions, including the consents and approvals referred to in Sections 7.1(a) and 7.2(a) of the Disclosure Letter; provided, however, that neither Purchaser nor any Seller shall be obligated to pay any consideration therefor to any Third Party from whom consent or approval is requested, or to initiate any litigation or legal proceedings to obtain any such consent or approval.

(f) Purchaser shall as promptly as possible, but in no event later than twenty (20) Business Days following the execution of this Agreement, prepare and file with the Investment Review Division of Industry Canada an application for review if such application is required under Part IV of the Investment Canada Act and, as promptly as reasonably practicable following such filing, submit to the Director of Investments under the Investment Canada Act draft written undertakings to Her Majesty the Queen in Right of Canada, on terms and conditions reasonably satisfactory to Purchaser, and shall, in a timely manner, submit executed undertakings in connection with the Investment Canada Approval. With respect to the Investment Canada Approval, Sellers shall use commercially reasonable efforts, at the sole cost and expense of Purchaser, to assist Purchaser in obtaining the Investment Canada Approval as Purchaser may reasonably request from time to time including, promptly providing such information and assistance as may be reasonably requested by Purchaser to assist in preparing the application for review and to satisfy, as promptly as reasonably practicable, any requests for information and documentation Purchaser receives from any Governmental Entity in respect of the Investment Canada Approval. Purchaser shall keep Sellers reasonably informed as to the status of the Investment Canada Approval proceedings and shall promptly advise Sellers of any material written or verbal communications Purchaser has with the Investment Review Division of Investment Canada staff or the Minister of Industry or his designee relating to the Investment Canada Approval. Information and documentation may be provided to counsel to Sellers on an external counsel basis, in which case such information and documentation shall not be communicated to Sellers.

Section 6.4 Bankruptcy Court Matters.

(a) At least twenty-four (24) hours prior to serving or filing any material motion, application, and pleading, (including memoranda, exhibits, supporting affidavits and evidence and other supporting documentation) in their Bankruptcy Cases or in the CCAA Recognition Proceedings relating to or affecting the Transactions, including any pleading seeking relief related to the sale, Sellers shall provide a draft thereof to Purchaser and its counsel, and provide Purchaser (and its advisors and counsel) with a reasonable opportunity to consult within such twenty-four (24) hour period with Sellers with respect to any and all such material motions, applications, and pleadings.

(b) Sellers shall use commercially reasonable efforts to assume and assign the Designated Contracts to Purchaser, including taking all actions reasonably required to (i) obtain a Bankruptcy Court order containing a finding that the proposed assumption and assignment of the Designated Contracts to Purchaser satisfies all applicable requirements of Section 365 or 1123(b)(2) of the Bankruptcy Code, and (ii) obtain an order of the Canadian Court recognizing such order of the Bankruptcy Court.

(c) Promptly upon the execution of this Agreement, Purchaser and Sellers shall use commercially reasonable efforts to obtain as soon as possible, but subject to the notice requirements of the Bankruptcy Code and Bankruptcy Rules, the requirements of the Bidding Procedures Order (and the bidding procedures contained therein) and the Bankruptcy Court's availability, the Bankruptcy Court's entry of the Confirmation Order, and thereafter the Canadian Court's entry of the Confirmation Recognition Order.

(d) This Agreement is subject to approval by the Bankruptcy Court pursuant to the Confirmation Order, and the Canadian Court's recognition thereof pursuant to the Confirmation Recognition Order, and the consideration by Sellers of higher or better competing bids (each, a "Competing Bid"). Notwithstanding anything contained in this Agreement, from the date hereof until the Closing, Sellers shall be permitted to cause their representatives and Affiliates to take any actions that Sellers deem necessary or appropriate in connection with pursuing any Alternative Transaction. For the avoidance of doubt, Sellers shall have the responsibility and obligation to respond to any inquiries or offers to purchase all or any part of the Acquired Assets and perform any and all other acts related thereto which are required under the Bankruptcy Code, the CCAA or other Applicable Law, including supplying information relating to the Business and the assets of Sellers to prospective purchasers.

Section 6.5 Employee Matters.

(a) Prior to the Closing Date, Purchaser may, or may cause an Affiliate to, offer to employ, such employment to be effective on the Closing Date, any of the employees of Sellers (each such employee who accepts an offer and commences working for Purchaser or its Affiliate effective on the Closing Date, a "Transferred Employee") which employment shall be on terms and conditions, including compensation and benefit levels and recognition of existing notice of termination and severance entitlements, that are substantially similar to the terms and conditions that are in effect for those employees immediately prior to the Closing Date. In addition, for a period of at least one year following the Closing Date, Purchaser shall provide each Transferred Employee with compensation and benefits that are substantially similar to those provided to each such Transferred Employee immediately prior to the Closing Date. Purchaser shall assume all Employee Obligations with respect to both Transferred Employees and Sellers' other employees. Sellers shall use commercially reasonable efforts to cooperate with Purchaser in Purchaser's recruitment of, and offer to employ, the Transferred Employees.

(b) To the extent that any obligations might arise under the Worker Adjustment Retraining Notification Act, 29 U.S.C. § 2101 et seq., or under any similar provision of any United States federal, state, regional, non-United States or local law, rule or regulation (hereinafter referred to collectively as "WARN Obligations") as a consequence of the actions taken by or at the direction of Purchaser, Purchaser shall be responsible for such WARN Obligations.

(c) From the date hereof through the Closing Date, Sellers shall allow Purchaser reasonable access to meet with and interview employees of Sellers upon reasonable notice and during normal business hours in connection with the covenants contained in this Section 6.5; provided, that (i) all activities covered by this Section 6.5(c) shall be at the sole cost and expense

of Purchaser and (ii) any such activities shall be conducted in such manner as not to interfere unreasonably with Sellers' conduct of the Business.

Section 6.6 Subsequent Actions. If at any time after the Closing Date, Purchaser or Sellers consider or are advised that any deeds, bills of sale, instruments of conveyance, assignments, assurances or any other actions or things are necessary or desirable to vest, perfect or confirm ownership (of record or otherwise) in Purchaser, its right, title or interest in, to or under any or all of the Acquired Assets or otherwise to carry out this Agreement, including Purchaser's assumption of the Assumed Liabilities, Purchaser or Sellers shall at Purchaser's sole cost and expense, execute and deliver all deeds, bills of sale, instruments of conveyance, powers of attorney, assignments, assumptions and assurances and take and do all such other actions and things as may be requested by the other party in order to vest, perfect or confirm any and all right, title and interest in, to and under such rights, properties or assets in Purchaser or otherwise to carry out this Agreement.

Section 6.7 Publicity. From the date of this Agreement through the Closing and without limiting or restricting any party from making any filing with the Bankruptcy Court with respect to this Agreement or the Transactions, no party shall issue any press release or public announcement concerning this Agreement or the Transactions without obtaining the prior written approval of the other party, which approval will not be unreasonably withheld, conditioned or delayed, unless, in the reasonable judgment of Purchaser or Sellers, disclosure is otherwise required by Applicable Law, the Bankruptcy Code, the CCAA, the Bankruptcy Court or the Canadian Court with respect to filings to be made with the Bankruptcy Court or the Canadian Court in connection with this Agreement or by the applicable rules of the Securities Exchange Commission or any stock exchange on which Purchaser lists securities, provided that the party intending to make such release shall use its reasonable best efforts consistent with such Applicable Law, Bankruptcy Code, CCAA, Bankruptcy Court or Canadian Court requirement, or Securities Exchange Commission or stock exchange rule, to consult with the other party with respect to the text thereof.

Section 6.8 Tax Matters.

(a) Purchaser and Sellers agree that the Purchase Price is exclusive of any Transfer Taxes. Purchaser shall promptly pay directly to the appropriate Tax Authority all applicable Transfer Taxes that may be imposed upon or payable or collectible or incurred in connection with this Agreement or the transactions contemplated herein, or that may be imposed upon or payable or collectible or incurred in connection with the Transactions; provided, that if any such Transfer Taxes are required to be collected, remitted or paid by a Seller or other Person, such Transfer Taxes shall be paid by Purchaser to such Seller or other Person at such time as such Transfer Taxes are required to be paid under Applicable Law.

(b) Purchaser and Sellers covenant and agree that they will use their commercially reasonable efforts to obtain an order from the Bankruptcy Court pursuant to Section 1146 of the Bankruptcy Code exempting, to the maximum extent possible, the Transfer of the Acquired Assets from Sellers to Purchaser from any and all Transfer Taxes (as hereinafter defined). To the extent the Transactions or any portion of the Transactions are not exempt from Transfer Taxes under Section 1146 of the Bankruptcy Code, Purchaser shall be responsible for and shall

pay all Transfer Taxes in accordance with Section 6.8(a). Purchaser and Sellers shall cooperate in providing each other with any appropriate certification and other similar documentation relating to exemption from Transfer Taxes (including any appropriate resale exemption certifications), as provided under Applicable Law.

(c) Purchaser and Sellers agree to furnish, or cause their Affiliates to furnish, to each other, upon request, as promptly as practicable, such information and assistance relating to the Acquired Assets or the Business (including access to books and records) as is reasonably necessary for the filing of all Tax Returns, and making of any election related to Taxes, the preparation for any audit by any Tax Authority, and the prosecution or defense of any claim, suit or proceeding relating to any Tax Return. Purchaser and Sellers shall cooperate, and cause their Affiliates to cooperate, with each other in the conduct of any audit or other proceeding related to Taxes and each shall execute and deliver such powers of attorney and other documents as are reasonably necessary to carry out the intent of this Section 6.8(c). Purchaser and Sellers shall provide, or cause their Affiliates to provide, timely notice to each other in writing of any pending or threatened tax audits, assessments or litigation with respect to the Acquired Assets or the Business for any taxable period for which the other party may have liability under this Agreement. Purchaser and Sellers shall furnish, or cause their respective Affiliates to furnish, to each other copies of all correspondence received from any Tax Authority in connection with any tax audit or information request with respect to any taxable period for which the other party or its Affiliates may have liability under this Agreement.

(d) All real and personal property Taxes and assessments, and all rents, utilities and other charges on the Acquired Assets payable after the Closing Date shall be paid by Purchaser, and all Tax Returns or other filings relating to such amounts shall be prepared and filed by Purchaser.

(e) The Canadian Sellers and Purchaser shall jointly execute an election, where such election is available, under Section 22 of the Income Tax Act and the corresponding sections of any other applicable provincial statute and any regulations under such statutes with respect to the sale, assignment, transfer and conveyance of the Accounts Receivable. The Canadian Sellers and Purchaser further agree to make jointly the necessary elections and execute and file, within the prescribed delays, the prescribed election forms and any other documents required to give effect to the foregoing and shall also prepare and file all of their respective Tax Returns in a manner consistent with the aforesaid allocations.

(f) Canadian Sellers and Purchaser shall, where such election is available, jointly execute an election under Section 167 of the *Excise Tax Act* (Canada) and the corresponding provisions of any applicable provincial statute and any regulations under such statutes on the forms prescribed for such purposes along with any documentation necessary or desirable in order to effect the transfer of the Acquired Assets by Canadian Sellers without payment of any GST/HST or any other applicable provincial Transfer Taxes. Purchaser shall file the election forms referred to above, along with any documentation necessary or desirable to give effect to such, with the relevant Tax Authority, together with Purchaser's GST/HST or any other applicable provincial Transfer Tax returns for the reporting period in which the transactions contemplated herein are consummated. Notwithstanding such election, in the event that it is determined by the relevant Tax Authority that an election is not available or for any other reason

that there is GST/HST or any other provincial tax liability of Purchaser to pay GST/HST or any other provincial tax on all or part of the Acquired Assets, the Canadian Sellers and Purchaser agree that such GST/HST or any other provincial Transfer Taxes shall, unless already collected from Purchaser and remitted by the Canadian Sellers, be forthwith remitted by Purchaser to the Canadian Sellers or to the Tax Authorities as required by the relevant Tax Authority, and Purchaser shall indemnify and save the Canadian Sellers harmless from all costs, expenses, fees, damages, penalties, liabilities and obligations of any nature whatsoever (including reasonable attorney fees) arising out of and/or relating to any such GST/HST or any other provincial Transfer Tax liability arising herein, as well as any interest and penalties related thereto. For the avoidance of doubt, the indemnity provided by Purchaser pursuant to this Section 6.8(f) shall survive Closing.

(g) At the Closing Date, Purchaser shall be registered under Part IX of the *Excise Tax Act* (Canada) and, if applicable, Chapter VIII of *An Act Respecting the Quebec Sales Tax* (Quebec) and shall provide its registration number to the Canadian Seller.

Section 6.9 Prompt Payment of Cure Amounts; Prepayment of Designated Contracts.

(a) With respect to each Designated Contract, Sellers shall, in accordance with the Bidding Procedures Order and the Bidding Procedures Recognition Order: (i) serve each counterparty thereto with notice of the proposed Cure Amount for such Designated Contract; (ii) pay all amounts (the "Cure Amounts") that (A) are required to be paid under Section 365(b)(1)(A) or (b)(1)(B) of the Bankruptcy Code in order to assume and assign such contract or (B) are due pursuant to order of the Bankruptcy Court as a condition to assuming and assigning such Designated Contract (in each case including any amounts that represent obligations or liabilities that were incurred or accrued by Sellers during the period May 14, 2012 through and including the Closing Date, regardless of when such amounts are paid). If there are insufficient funds in the Escrow Account to make the payments described in this Section 6.9, Sellers shall direct Purchaser in writing to, and Purchaser shall, no later than the second (2nd) Business Day after such direction, deposit into the Escrow Account such amounts as are required to pay for such Cure Amounts. All Cure Amounts deposited into the Escrow Account shall be thereafter held, invested and released by the Escrow Agent only in accordance with this Agreement and the Escrow Agreement.

(b) If there are any payments under any Designated Contract invoiced and collected during the month ending on the Closing Date for services to be rendered under such Designated Contract after the Closing Date, Sellers shall provide to Purchaser, no later than the fifth (5th) Business Day after the Closing Date, a statement setting forth the amounts of such prepayments and the Designated Contracts to which they relate. Sellers shall, concurrently with the delivery of the statement referred to in the preceding sentence, pay over to Purchaser an amount equal to the pro rata portion of such prepayment relating to the period after the Closing Date.

Section 6.10 No Violation. Nothing in this Agreement is intended to result in Purchaser assuming ownership or control (whether *de facto* or *de jure*) of the FCC Licenses and Industry Canada Licenses of Sellers hereunder in a manner that violates any

Communications Laws of the United States or Canada. To the extent any term or provision of this Agreement is held by a court of competent jurisdiction or other authority to result in Purchaser assuming such ownership or control in violation of any Communications Laws of the United States or Canada, the parties agree that such violative term or provision shall be replaced, reformed or deleted, in each case in a manner that comes closest to expressing the intention of the violative term or provision, solely to the extent necessary to cause such term or provision to comply with the Communications Laws of the United States and Canada.

Section 6.11 Disclosure Letter; Disclosure Letter Supplements. Information disclosed in the Disclosure Letter shall constitute a disclosure for all purposes under this Agreement notwithstanding any reference to a specific section, and all such information shall be deemed to qualify the entire Agreement and not just such section. The disclosure of any matter or item in the Disclosure Letter shall not be deemed to constitute an acknowledgment that any such matter is required to be disclosed or is material or that such matter would result in a Material Adverse Effect. From time to time prior to the Closing, Sellers shall have the right to supplement or amend the Disclosure Letter with respect to any matter hereafter arising or discovered after the delivery of the Disclosure Letter pursuant to this Agreement. Such supplements or amendments shall be effective to cure and correct, for all purposes, any breach of any representation or warranty which would have existed if Sellers had not made such supplement or amendment, so long as such supplements or amendments, individually or in the aggregate, do not reflect events or conditions which would reasonably be expected to constitute a Material Adverse Effect; provided, however, if Purchaser shall not object, within ten (10) days after receiving notice thereof, to any supplement or amendment that reflects events or conditions that would reasonably be expected to constitute a Material Adverse Effect, then Purchaser shall be deemed to have irrevocably waived any rights (including any termination rights) or claims, pursuant to the terms of this Agreement or otherwise, with respect to such event or condition. All references to Sections of the Disclosure Letter that are supplemented or amended pursuant to this Section 6.11 shall be deemed to be a reference to such Section as supplemented or amended. If the Closing shall occur, then Purchaser shall be deemed to have irrevocably waived any right or claim pursuant to the terms of this Agreement or otherwise, with respect to any and all matters disclosed pursuant to any such supplement or amendment at or prior to the Closing Date.

ARTICLE VII.

CONDITIONS

Section 7.1 Conditions to Obligations of Purchaser. The obligations of Purchaser to consummate the Closing shall be subject to the satisfaction at or prior to the Closing of the following conditions (any or all of which may be waived by Purchaser in its sole discretion):

(a) Consents and Approvals. All consents and approvals of any Person set forth in Section 7.1(a) of the Disclosure Letter shall have been obtained, except to the extent that the requirement for a particular consent or approval is rendered inapplicable by the Confirmation Order or other order of the Bankruptcy Court or the Canadian Court, if applicable.

(b) Accuracy of Representations and Warranties. Each of the representations and warranties set forth in Article IV disregarding all materiality and Material Adverse Effect qualifications contained therein, shall be true and correct (i) as of the date hereof and as of the Closing Date (as though made on the Closing Date) or (ii) if made as of a date specified therein, as of such date, except (with respect to all representations and warranties set forth in Article IV other than and Sections 4.2 and 4.20 and the first sentence of Section 4.1) for any failure to be true and correct that, individually and together with other such failures, has not had and would not reasonably be expected to have a Material Adverse Effect.

(c) Performance of Covenants. Sellers shall not have failed to perform in any material respect any material obligation or to comply in any material respect with any material agreement or material covenant of Sellers to be performed or complied with by them under this Agreement.

(d) Officer's Certificate. Purchaser shall have received from Sellers a certificate, dated the Closing Date, duly executed by an executive officer of each Seller, to the effect of paragraphs (b) and (c) above.

(e) Closing Deliverables. Sellers shall have delivered, or caused to be delivered, to Purchaser all of the items set forth in Section 3.2(a) (other than clause (iv) thereof).

Section 7.2 Conditions to Obligations of Sellers. The obligations of Sellers to consummate the Closing shall be subject to the satisfaction at or prior to the Closing of the following conditions (any or all of which may be waived by Sellers in their sole discretion):

(a) Consents and Approvals. All consents and approvals of any Person set forth in Section 7.2 of the Disclosure Letter shall have been obtained, except to the extent that the requirement for a particular consent or approval is rendered inapplicable by the Confirmation Order or other order of the Bankruptcy Court or the Canadian Court, if applicable.

(b) Accuracy of Representations and Warranties. The representations and warranties of Purchaser set forth in this Agreement shall be true and correct, in all material respects, as of the date of this Agreement and as of the Closing Date as though made as of the Closing Date (except to the extent such representations and warranties expressly relate to an earlier date, in which case as of such earlier date).

(c) Performance of Covenants. Purchaser shall not have failed to perform in any material respect any material obligation or to comply in any material respect with any material agreement or material covenant of Purchaser to be performed or complied with by them under this Agreement.

(d) Officer's Certificate. Sellers shall have received from Purchaser a certificate, dated the Closing Date, duly executed by an executive officer of Purchaser, to the effect of paragraphs (b) and (c) above.

(e) Closing Deliverables. Purchaser shall have delivered, or caused to be delivered, to Sellers all of the items set forth in Section 3.2(b).

Section 7.3 Conditions to Obligations of Purchaser and Sellers. The respective obligations of Purchaser and Sellers to consummate the Closing shall be subject to the satisfaction at or prior to the Closing of the following conditions (any or all of which may be waived by Purchaser and Sellers in their sole discretion):

(a) Government Action. There shall not be in effect any order, notice or decree by a Governmental Entity of competent jurisdiction restraining, enjoining or otherwise prohibiting the consummation of the Closing.

(b) Required Regulatory Approvals. All of the Required Regulatory Approvals shall have occurred or shall have been obtained, as applicable.

(c) Confirmation Order. The Bankruptcy Court shall have entered the Confirmation Order, the Confirmation Order shall have become a Final Order and any stay period applicable to the Confirmation Order shall have expired or shall have been waived by the Bankruptcy Court.

(d) Confirmation Recognition Order. The Canadian Court shall have entered the Confirmation Recognition Order and the Confirmation Recognition Order shall be a Final Order.

ARTICLE VIII.

TERMINATION

Section 8.1 Termination. This Agreement may be terminated or abandoned at any time prior to the Closing as follows:[5]

(a) By the mutual written consent of Purchaser and Sellers.

(b) By either Purchaser or Sellers upon written notice given to the other, if the Bankruptcy Court, Canadian Court or any other Governmental Entity shall have issued an order, decree or ruling or taken any other action (which order, decree, ruling or other action the parties hereto shall use their commercially reasonable efforts to prevent the entry of and remove), which permanently restrains, enjoins or otherwise prohibits the consummation of the Transactions and such order, decree, ruling or other action shall have become a Final Order.

(c) By either Purchaser or Sellers upon written notice given to the other, if the Closing Date shall not have taken place on or before [ ] (the "Termination Date"); provided, that the failure of the Closing to occur on or before such date is not the result of a material breach of any covenant, agreement, representation or warranty hereunder by the party seeking such termination.

[5] **Note to Draft:** Additional termination rights related to any Alternative Transaction, during the period from the entry of the Confirmation Order through the Closing, and the terms and conditions thereof, to be discussed.

(d) By Sellers upon written notice given to Purchaser, if Purchaser shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (i) would result in a failure of a condition set forth in Section 7.2 or Section 7.3 and (ii) (A) cannot be cured by the Termination Date or (B) is not cured within thirty (30) days after Sellers provide specific written notice of such breach to Purchaser.

(e) By Purchaser or Sellers upon written notice given to the other, if:

(i) the Confirmation Hearing has been completed and any Person other than Purchaser or an Affiliate of Purchaser is determined by the Bankruptcy Court and the Canadian Court to be the successful bidder; or

(ii) the Bankruptcy Court enters an order approving an Alternative Transaction.

(f) By Sellers upon written notice given to Purchaser, at any time prior to the Bankruptcy Court's entry of the Confirmation Order.

(g) By Purchaser upon written notice given to Sellers, if any Seller shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (i) would result in a failure of a condition set forth in Section 7.1 or Section 7.3 and (ii)(A) cannot be cured by the Termination Date or (B) is not cured within thirty (30) days after Purchaser provides specific written notice of such breach to Sellers.

(h) By Purchaser upon written notice given to Sellers:

(i) unless, on or prior to [ ], (A) the Bankruptcy Court shall have entered the Confirmation Order and (B) the Canadian Court shall have subsequently entered the Confirmation Recognition Order within twenty-one (21) days after (A);

(ii) if any Seller seeks to have the Bankruptcy Court enter an order dismissing a Bankruptcy Case of any Seller or converting it to a case under Chapter 7 of the Bankruptcy Code, or appointing a trustee in its Bankruptcy Cases or appointing a responsible officer or an examiner with enlarged powers relating to the operation of Sellers' businesses (beyond those set forth in Sections 1106(a)(3) or (a)(4) of the Bankruptcy Code) under Section 1106(b) of the Bankruptcy Code, and such order is not reversed or vacated within three (3) Business Days after the entry thereof; or

(iii) if the Confirmation Order or the Confirmation Recognition Order shall have been revoked, rescinded or modified in any material respect and the order revoking, rescinding or modifying such order(s) shall not be reversed or vacated within thirty (30) Business Days after the entry thereof; provided, that Purchaser shall have the right to designate any later date for this purpose in its sole discretion.

Any party seeking to invoke its rights to terminate this Agreement shall give written notice thereof to the other party or parties specifying the provision hereof pursuant to which such termination is made and the effective date of such termination being the date of such notice.

Section 8.2 Effect of Termination. If this Agreement is terminated by either party in accordance with and pursuant to Section 8.1, then, except as otherwise provided in Section 8.3 and Section 9.10, all rights and obligations of the parties under this Agreement shall terminate without any liability of any party to any other party; provided, however, that nothing herein shall relieve any party from liability for fraud or willful breach of any provision of this Agreement prior to such termination; provided, further, however, that the provisions of this Article VIII, Article IX or any provision requiring any party to indemnify another party or pay or reimburse another party's expenses shall survive any termination of this Agreement.

Section 8.3 Good Faith Deposit; Break-Up Fee; Expense Reimbursement.

(a) Solely in the event that this Agreement is terminated by Sellers pursuant to Section 8.1(d), the Good Faith Deposit, together with all accrued investment income thereon, shall be paid promptly to Sellers by wire transfer in immediately available funds. In the event that this Agreement is terminated for any other reason, the Good Faith Deposit, together with all accrued investment income thereon, shall be returned promptly to Purchaser by wire transfer in immediately available funds.

(b) Notwithstanding Section 8.2 of this Agreement: (i) in the event that this Agreement is terminated by Purchaser pursuant to Section 8.1(g) of this Agreement, Sellers shall pay Purchaser an amount equal to the Expense Reimbursement, by wire transfer of immediately available funds within five (5) Business Days following such termination; (ii) in the event that either (A) this Agreement is terminated by either Purchaser or Sellers pursuant to Section 8.1(e)(i) and Sellers consummate an Alternative Transaction with the Person determined by the Bankruptcy Court and the Canadian Court to be the successful bidder (or an Affiliate of such Person) or (B) this Agreement is terminated by either Purchaser or Sellers pursuant to Section 8.1(e)(ii), Sellers shall pay Purchaser an amount equal to the Break-Up Fee, by wire transfer of immediately available funds within five (5) Business Days following the consummation of the applicable Alternative Transaction and (iii) in the event that this Agreement is terminated by Sellers pursuant to Section 8.1(f), Sellers shall pay Purchaser an amount equal to the Break-Up Fee, by wire transfer of immediately available funds within five (5) Business Days following such termination. The Break-Up Fee and Expense Reimbursement shall be paid in accordance with the terms and conditions set forth in this Section 8.3 and in the Bidding Procedures Order and Bidding Procedures Recognition Order.

(c) The parties acknowledge that the agreements contained in this Section 8.3 are an integral part of the Transactions and that without these agreements neither Sellers nor Purchaser would enter into this Agreement.

(d) If Sellers and Purchaser, acting reasonably, agree that any payment of the Good Faith Deposit or any other amount payable under this Section 8.3 is subject to GST/HST or any

other applicable provincial sales tax or is deemed by any provision of the *Excise Tax Act* (Canada) or the corresponding provisions of any applicable provincial statute and any regulation under such statute to be inclusive of such tax or taxes, Purchaser agrees to pay in addition to the payment an amount equal to all GST/HST or any other applicable provincial sales tax payable or deemed to be included in respect of such payment.

ARTICLE IX.

MISCELLANEOUS

Section 9.1 Survival of Covenants, Representations and Warranties. The representations and warranties set forth in Article IV and Article V shall not survive the Closing Date; provided, however, that all covenants and agreements set forth herein that contemplate or may involve actions to be taken or obligations in effect after the Closing Date (including, for the avoidance of doubt, Sections 6.2(c), 6.6, 6.7, 6.8 and 6.9) shall, to the extent they require actions to be taken or obligations in effect after the Closing Date, survive the Closing Date.

Section 9.2 Amendment and Modification; Waiver. This Agreement may be amended, modified and supplemented in any and all respects, but only by a written instrument signed by all of the parties hereto expressly stating that such instrument is intended to amend, modify or supplement this Agreement. Any of the terms, covenants, representations, warranties or conditions may be waived, only by a written instrument executed by the party waiving compliance.

Section 9.3 Notices. All notices and other communications hereunder shall be in writing and shall be deemed given when mailed by first-class certified mail, facsimile or sent by an overnight courier service, such as Federal Express, to the parties at the following addresses:

if to Purchaser, to:

[_____]

If by overnight courier service:
[_____]

If by first-class certified mail:
[_____]

If by facsimile:
Fax: (___) _____

cc: [_____]

If by overnight courier service:
[_____]

If by first-class certified mail:
[_____]

If by facsimile:
[_____]

with an additional copy (which shall not constitute notice) to:

[_____]

if to any Seller, to:

LightSquared Inc.
10802 Parkridge Boulevard
Reston, VA 20191
Facsimile: [__]
Attn: Curtis Lu, General Counsel
Marc Montagner, Chief Financial Officer

with a copy (which shall not constitute notice) to:

Milbank, Tweed, Hadley & McCloy LLP
One Chase Manhattan Plaza
New York, NY 10005
Facsimile: 212-530-5219
Attention: Matthew S. Barr, Esq.
Roland Hlawaty, Esq.

or to such other address as a party may from time to time designate in writing in accordance with this Section 9.3. Each notice or other communication given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been received (a) on the Business Day it is sent, if sent by facsimile, or (b) on the first Business Day after sending, if sent by overnight courier service, or (c) upon receipt, if sent by first-class certified mail; provided, however, that notice of change of address shall be effective only upon receipt. The parties agree that delivery of process or other papers in connection with any such action or proceeding in the manner provided in this Section 9.3, or in such other manner as may be permitted by law, shall be valid and sufficient service thereof.

Section 9.4 Counterparts. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when two or more counterparts have been signed by each of the parties and delivered to the other party.

Section 9.5 Entire Agreement; No Third Party Beneficiaries. This Agreement, the Disclosure Letter, Purchaser Disclosure Letter and other schedules, annexes, and exhibits hereto, the Ancillary Agreements, the Conveyance Documents, the Confirmation Order, and the Confirmation Recognition Order (a) constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, among the parties with respect to the

subject matter hereof and thereof and supersede and cancel all prior agreements, negotiations, correspondence, undertakings, understandings and communications of the parties, oral and written, with respect to the subject matter hereof, and (b) are not intended to confer upon any Person, other than the parties hereto and thereto, any rights or remedies hereunder or thereunder. All of the rights and obligations of Purchaser and Sellers under this Agreement are subject to the approval of the Bankruptcy Court, the Canadian Court or other court of competent jurisdiction.

Section 9.6 Severability. Any term or provision of this Agreement that is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If a final order or judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid, void or unenforceable, the parties agree that the court making such determination shall have the power to reduce the scope, duration, area or applicability of the term or provision, to delete specific words or phrases, or to replace any invalid, void or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision.

Section 9.7 Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any conflicts of laws principles thereof that would require the application of the laws of any other jurisdiction, and the applicable provisions of the Bankruptcy Code.

Section 9.8 Exclusive Jurisdiction; Waiver of Right to Trial by Jury. If the Bankruptcy Court does not have or declines to exercise subject matter jurisdiction over any action or proceeding arising out of or relating to this Agreement, then each party (a) agrees that all such actions or proceedings shall be heard and determined in federal court of the United States for the Southern District of New York or the courts of the State of New York sitting in New York County, (b) irrevocably submits to the jurisdiction of such courts in any such action or proceeding, (c) consents that any such action or proceeding may be brought in such courts and waives any objection that such party may now or hereafter have to the venue or jurisdiction or that such action or proceeding was brought in an inconvenient court, and (iv) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such party at its address as provided in Section 9.3 (provided that nothing herein shall affect the right to effect service of process in any other manner permitted by New York law). EACH PARTY TO THIS AGREEMENT WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, MATTER OR PROCEEDING REGARDING THIS AGREEMENT OR ANY ANCILLARY AGREEMENT, OR ANY PROVISION HEREOF OR THEREOF.

Section 9.9 Remedies. Neither the exercise of nor the failure to exercise a right of set-off or to give notice of a claim under this Agreement will constitute an election of remedies or limit Sellers or Purchaser in any manner in the enforcement of any other remedies that may be available to any of them, whether at law or in equity.

Section 9.10 Specific Performance. Sellers and Purchaser hereby acknowledge and agree that any breach of the terms of this Agreement would give rise to irreparable harm for which money damages would not be an adequate remedy, and, accordingly agree that, in addition to any other remedies, Sellers and Purchaser or their respective successors or assigns shall be entitled to enforce the terms of this Agreement by a decree of specific performance without the necessity of proving the inadequacy of money damages as a remedy and without the necessity of posting a bond.

Section 9.11 Assignment. Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the parties hereto (whether by operation of law or otherwise) without the prior written consent of the other party. Any purported assignment in violation of this clause shall be void. Any permitted assignment by a party of its rights hereunder shall not relieve it of its obligations hereunder. Subject to the first sentence of this Section 9.11, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns.

Section 9.12 Headings. The article, section, paragraph and other headings contained in this Agreement are inserted for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 9.13 No Consequential or Punitive Damages. NO PARTY (OR ITS AFFILIATES OR REPRESENTATIVES) SHALL, UNDER ANY CIRCUMSTANCE, BE LIABLE TO ANY OTHER PARTY (OR ITS AFFILIATES OR REPRESENTATIVES) FOR ANY CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES CLAIMED BY SUCH OTHER PARTY UNDER THE TERMS OF OR DUE TO ANY BREACH OF THIS AGREEMENT, INCLUDING LOSS OF REVENUE OR INCOME, DAMAGES BASED ON ANY MULTIPLIER OF PROFITS OR OTHER VALUATION METRIC, COST OF CAPITAL, DIMINUTION OF VALUE OR LOSS OF BUSINESS REPUTATION OR OPPORTUNITY.

Section 9.14 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context clearly requires otherwise:

"Accounts Receivable" means any and all trade accounts, notes and other receivables and indebtedness for borrowed money or overdue accounts receivable, in each case owing to any Seller and all claims relating thereto or arising therefrom including GST/HST included in Accounts Receivable.

"Acquired Assets" has the meaning set forth in Section 2.1.

"Actions" has the meaning set forth in Section 2.2(n).

"Advance Ruling Certificate" means an advance ruling certificate issued by the Commissioner of Competition pursuant to section 102 of the Competition Act with respect to the transactions contemplated by this Agreement.

"Affiliate" has the meaning set forth in Rule 12b-2 of the Exchange Act.

"Agreement" or "this Agreement" means this Purchase Agreement, together with the Exhibits hereto and the exhibits and schedules thereto and the Disclosure Letter.

"Allocation Statement" has the meaning set forth in Section 2.5(c).

"Alternative Transaction" means (i) any Competing Bid, (ii) any investment in, financing of, capital contribution or loan to, or restructuring or recapitalization of all or any substantial portion of Sellers (including any exchange of Sellers' outstanding debt obligations for equity securities of Sellers), (iii) any merger, amalgamation, consolidation, share exchange or other similar transaction to which Sellers are a party, (iv) any sale of all or substantially all of the Acquired Assets of, or any sale or transfer of all or substantially all of the equity interests in, Sellers, (v) any other transaction that transfers ownership of, economic rights to, or benefits in all or a substantial portion of the Acquired Assets, or (vi) any chapter 11 plan of reorganization or liquidation for any Seller other than the Plan; provided, that notwithstanding the foregoing, any plan of reorganization or liquidation which contemplates the consummation of the Transactions shall not be deemed an Alternative Transaction.

"Ancillary Agreements" means, collectively, (i) the Bill of Sale, (ii) the Escrow Agreement, (iii) the Assignment and Assumption Agreement and (iv) any additional agreements and instruments of sale, transfer, conveyance, assignment and assumption that may be executed and delivered by any party or any Affiliate thereof at or in connection with the Closing, if any.

"Applicable Law" means any law, statute, regulation, rule, order, ordinances, judgment, guideline or decree of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision or of any Governmental Entity to which Purchaser or the Business, any Acquired Asset, or any Seller is subject, as applicable.

"Assets" means assets, properties, rights, interests, claims, contracts, and businesses of every kind, type, character and description, whether tangible or intangible, whether real, personal or mixed, whether accrued, contingent, liquidated or unliquidated, whether owned, leased or licensed and wherever located, and all rents, issues, profits, royalties, entitlements, products and proceeds of any of the foregoing.

"Assignment and Assumption Agreement" means the assignment and assumption agreement substantially in the form attached as Exhibit C hereto.

"Assumed Liabilities" has the meaning set forth in Section 2.3.

"Audited Financial Statements" has the meaning set forth in Section 4.4(a).

"Avoidance Action" means any claim, right or cause of action of Sellers arising under Sections 544 through 553 of the Bankruptcy Code.

"Balance Sheet" has the meaning set forth in Section 4.4(b).

"Bankruptcy Cases" has the meaning set forth in the recitals hereof.

"Bankruptcy Code" has the meaning set forth in the recitals hereof.

"Bankruptcy Court" has the meaning set forth in the recitals hereof.

"Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure.

"Bidding Procedures Order" means the Order (A) Establishing Bid Procedures, (B) Scheduling Date and Time for Auction, (C) Approving Assumption and Assignment Procedures, (D) Approving Form of Notice, and (E) Granting Related Relief, as entered by the Bankruptcy Court on [ ], 2013.

"Bidding Procedures Recognition Order" means the Order of the Canadian Court, dated as of [ ], 2013, recognizing the entry of the Bidding Procedures Order.

"Bill of Sale" means the bill of sale substantially in the form attached as Exhibit A hereto.

"Break-Up Fee" means cash in an amount equal to [__]%[6] of the Closing Date Consideration.

"Business" has the meaning set forth in the recitals hereof.

"Business Day" means any day other than a Saturday, Sunday or a day on which banks in New York are authorized or obligated by Applicable Law or executive order to close or are otherwise generally closed.

"Canada Pension Plan" means the retirement pension plan sponsored by the Government of Canada.

"Canadian Court" has the meaning set forth in the recitals hereof.

"Canadian Plan" means all plans, arrangements, programs, policies, undertakings, whether formal or informal, funded or unfunded, insured or uninsured, registered or unregistered to which any Seller is a party to or bound by or in which the Canadian employees or former Canadian employees of any Seller participate or under which any Seller has, or will have, any liability or contingent liability or, pursuant to which payments are made, or benefits are provided to, or under which an entitlement to payments or benefits may arise with respect to any Canadian employees or former Canadian employees of any Seller, or Canadian directors, officers or individuals working on contract with any Seller (or any spouses, dependents, survivors or beneficiaries of any such persons), relating to retirement savings, pensions, supplemental pensions, bonuses, profit sharing, deferred compensation, incentive compensation, equity or unit based compensation, life or accident insurance, hospitalization, health, medical or dental

[6] **Note to Draft:** The amount of the Break-Up Fee will be determined in accordance with the Bidding Procedures.

treatment or expenses, disability, unemployment insurance benefits, employee loans, fringe benefits or other benefit plan, other than any Canadian Union Plan, or the Canada Pension Plan, the Quebec Pension Plan or other such plan created by an Applicable Law or administered by a Governmental Entity.

"Canadian Sellers" means SkyTerra Holdings (Canada) Inc., an Ontario corporation, SkyTerra (Canada) Inc., an Ontario corporation, and LightSquared Corp., a Nova Scotia unlimited liability company.

"Canadian Union Plans" mean all pension and other benefit plans for the benefit of Canadian employees or former Canadian employees of any Seller, which are not maintained, sponsored or administered by a Seller but to which any Seller is or was required to contribute pursuant to a collective agreement or participation agreement.

"Cash and Cash Equivalents" means (i) cash; (ii) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof, maturing within one (1) year from the date of issuance; (iii) certificates of deposit, time deposits, eurodollar time deposits, deposit accounts or overnight bank deposits having maturities of six (6) months or less from the date of acquisition issued by any commercial bank; (iv) commercial paper of an issuer and maturing within six (6) months from the date of acquisition; (v) securities with maturities of one (1) year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any non-United States government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or non-United States government (as the case may be); (vi) eurodollar time deposits having a maturity not in excess of 180 days to final maturity; (vii) any other investment in United States Dollars which has no more than 180 days to final maturity; or (viii) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of clauses (i) through (vii) of this definition.

"CCAA" has the meaning set forth in the recitals hereof.

"CCAA Recognition Proceeding" has the meaning set forth in the recitals hereof.

"Claim" has the meaning assigned to such term under Section 101(5) of the Bankruptcy Code.

"Closing" means the consummation of all transactions contemplated in this Agreement.

"Closing Date" has the meaning set forth in Section 3.1(b).

"Closing Date Consideration" has the meaning set forth in Section 2.5(a).

"Code" means the Internal Revenue Code of 1986, as amended.

"Commissioner of Competition" means the Commissioner of Competition appointed pursuant to the Competition Act or a person designated or authorized pursuant to the

Competition Act to exercise the powers and perform the duties of the Commissioner of Competition.

"Communications Laws" means the Communications Act of 1934, as amended, the Telecommunications Act of 1996, as amended, and/or any rule, regulation, decision or published policy of the FCC or its staff acting pursuant to delegated authority, and the Radiocommunication Act (Canada), as amended, and the Telecommunications Act (Canada), as amended, and all rules, regulations, orders, and published decisions promulgated thereunder by Industry Canada and the CRTC (or any successor agency thereto) and any applicable communications laws or regulations of any other Governmental Entity.

"Communications Licenses" means, collectively, the FCC Licenses and the Industry Canada Licenses.

"Company Earth Station" means any material Tracking, Telemetry, Command and Monitoring and transmitting and/or receiving teleport earth station facility on real property that is either owned in fee or leased by any Seller, except for earth stations facilities (i) hosted by any Seller for Third Parties and (ii) for which no Seller is liable for instances of interference.

"Company Satellite" means a satellite owned by any Seller or any of their respective Subsidiaries as of the date of this Agreement, including MSAT-1, MSAT-2 and SkyTerra-1.

"Competing Bid" has the meaning set forth in Section 6.4(d).

"Competition Act" means the Competition Act (Canada), as amended.

"Competition Act Approval" means:

(i) the issuance of an Advance Ruling Certificate and such Advance Ruling Certificate has not been rescinded prior to Closing; or

(ii) both of (a) the waiting period, including any extension thereof, under section 123 of the Competition Act shall have expired or been terminated or the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act shall have been waived in accordance with section 113(c) of the Competition Act, and (b) Purchaser shall have been advised in writing by the Commissioner of Competition that, in effect, such Person does not, at that time, intend to make an application under section 92 of the Competition Act in respect of the transactions contemplated by this Agreement, and such advice shall not have been rescinded prior to Closing.

"Competition Bureau" means the Competition Bureau of Canada.

"Confirmation Hearing" means the hearing held by the Bankruptcy Court on the Confirmation of the Plan pursuant to Section 1129 of the Bankruptcy Code, as such hearing may be continued from time to time.

"Confirmation Order" means an order of the Bankruptcy Court confirming the Plan pursuant to Section 1129 of the Bankruptcy Code, in form and substance reasonably satisfactory to Sellers and (solely with respect to the provisions related to this Agreement) Purchaser and, *inter alia*, approving the Agreement and authorizing and directing Sellers to consummate the Transactions under Sections 105(a), 1123, 1129, 1141, 1142(b), 1145, and 1146(a) of the Bankruptcy Code.

"Confirmation Recognition Order" means an Order of the Canadian Court, in form and substance reasonably satisfactory to Sellers and Purchaser recognizing the entry of the Confirmation Order and, *inter alia*, vesting in Purchaser, pursuant to the terms and conditions of this Agreement, all of Sellers' right, title and interest in and to the Acquired Assets that are owned, controlled, regulated or situated in Canada.

"Contract" means any written agreement, contract, lease, license, consensual obligation, promise or undertaking, including any and all amendments or restatements thereto, other than Permits.

"Conveyance Documents" means (a) the Bill of Sale; (b) the Intellectual Property Instruments; (c) all documents of title and instruments of conveyance necessary to Transfer record and/or beneficial ownership to Purchaser of Acquired Assets composed of automobiles, trucks, or other vehicles, trailers, and any other property owned by any Seller which requires execution, endorsement and/or delivery of a certificate of title or other document in order to vest record or beneficial ownership thereof in Purchaser; and (d) all such other documents of title, deeds, endorsements, assignments and other instruments of Transfer as are necessary to vest in Purchaser good title to the Acquired Assets.

"Copyrights" means any non-United States or United States copyright registrations and applications for registration thereof, and any nonregistered copyrights, all content and information contained on any website, "mask works" (as defined under 17 U.S.C. § 901) and any registrations and applications for "mask works."

"CRTC" means the Canadian Radio-television and Telecommunications Commission or any successor agency thereto.

"Cure Amounts" has the meaning set forth in Section 6.9(a).

"Defined Benefit Plan" means a Canadian Plan which is a "registered pension plan" under the Income Tax Act and contains a "defined benefit provision" as defined in subsection 14.7(1) of the Income Tax Act.

"Designated Contracts" has the meaning set forth in Section 2.1(b).

"Disclosure Letter" means the disclosure letter of even date herewith prepared and signed by Sellers and delivered to Purchaser concurrently with the execution and delivery hereof, as may be amended or supplemented by Sellers from time to time pursuant to Section 6.11.

"Effective Date" has the meaning set forth in the Plan.

"Employee" means any employee of Sellers as of the Closing Date, as identified pursuant to Section 4.14.

"Employee Benefit Plans" means all bonus, deferred compensation, pension, retirement, profit-sharing, thrift, savings, employee stock ownership, stock bonus, stock purchase, restricted stock and stock option plans, change-in-control or severance contracts, health and medical insurance plans, life insurance and disability insurance plans, other employee benefit plans, contracts or arrangements which cover employees or former employees of any Seller, including "employee benefit plans" within the meaning of Section 3(3) of ERISA, other than any Canadian Plans or Canadian Union Plans or the Canada Pension Plan, the Québec Pension Plan or other such plan created by an Applicable Law or administered by a Governmental Entity.

"Employee Obligations" has the meaning set forth in Section 2.3(f).

"Environmental Laws" means applicable United States federal, state, local and non-United States laws, permits and governmental agreements and requirements of Governmental Entities relating to the protection of human health due to the exposure of Hazardous Materials, occupational safety and the environment.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

"ERISA Affiliate" means each Seller and any trade or business (whether or not incorporated) that, together with a Seller, is treated as a single employer under Section 414(b) or (c) of the Code, or, solely for purposes of Section 302 of ERISA, and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"Escrow Account" has the meaning specified for the term in the Escrow Agreement.

"Escrow Agent" has the meaning specified for the term in the Escrow Agreement.

"Escrow Agreement" means an agreement between Purchaser, Sellers and Escrow Agent in substantially the form attached as Exhibit B hereto.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Expense Reimbursement" means all reasonable costs and expenses of Purchaser incurred in connection with the negotiation, documentation, execution and delivery of this Agreement, and the consummation of the Transactions, including reasonable costs and expenses of Purchaser's counsel; provided, however, that the aggregate amount of the Expense Reimbursement shall not exceed $1,000,000.

"FCC" means the Federal Communications Commission or any successor agency thereto.

"FCC Consent" means an order, orders, or public notice of the FCC (or its staff acting pursuant to delegated authority) consenting or confirming the consent, to the assignment of the FCC Licenses from Sellers to Purchaser (or an entity or entities designated thereby) that is in full force and effect.

"FCC Licenses" means the FCC licenses and authorizations held by Sellers and listed in Section 4.12(c) of the Disclosure Letter.

"Final Order" means an order or judgment of the Bankruptcy Court, the Canadian Court or other court of competent jurisdiction, the implementation or operation or effect of which has not been stayed, and as to which the time to appeal or petition for certiorari, has expired and as to which no appeal or petition for certiorari, shall then be pending or in the event that an appeal or writ of certiorari thereof has been sought, such appeal or petition for certiorari shall have been denied by the highest court to which such order was appealed, or certiorari was sought, and the time to take any further appeal or petition for certiorari shall have expired.

"GAAP" means United States generally accepted accounting principles, Canadian generally accepted accounting principles or international financial reporting standards, as may be applicable.

"Good Faith Deposit" has the meaning set forth in Section 2.5(b)(i).

"Governmental Entity" means any national, federal, state, municipal, local, provincial, territorial, government or any department, commission, board, bureau, agency, regulatory authority or instrumentality thereof, or any court, judicial, administrative or arbitral body or public or private tribunal, including any United States, Canadian or other such entity anywhere in the world.

"GST/HST" means goods and services tax or harmonized sales tax payable under Part IX of the *Excise Tax Act* (Canada) and any regulation under such statute.

"Hazardous Material" means all substances or materials regulated as hazardous, toxic, explosive, dangerous, flammable or radioactive under any Environmental Law including: (i) petroleum, asbestos, or polychlorinated biphenyls; and (ii) all substances defined as Hazardous Substances, Oils, Pollutants or Contaminants in the National Oil and Hazardous Substances Pollution Contingency Plan or that are identified as hazardous substances under Health Canada's Workplace Hazardous Materials Information System.

"Historical Financial Statements" has the meaning set forth in Section 4.4(b).

"HSR Act" means the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended.

"Income Tax Act" means the *Income Tax Act* (Canada), as amended.

"Indebtedness" means, at any time and with respect to any Person: (i) all indebtedness of such Person for borrowed money; (ii) all indebtedness of such Person for the deferred purchase price of property or services (other than trade payables, other expense accruals

and deferred compensation items arising in the ordinary course of business, consistent with past practice); (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments (other than performance, surety and appeal bonds arising in the ordinary course of business in respect of which such Person's liability remains contingent); (iv) all indebtedness of such Person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property); (v) all obligations of such Person under leases which have been or should be, in accordance with GAAP, recorded as capital leases, to the extent required to be so recorded; (vi) all reimbursement, payment or similar obligations of such Person, contingent or otherwise, under acceptance, letter of credit or similar facilities; (vii) all Indebtedness of others referred to in clauses (i) through (vi) above guaranteed directly or indirectly by such Person; and (viii) all Indebtedness referred to in clauses (i) through (vii) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien upon or in property (including accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Indebtedness.

"Industry Canada" means the Canadian federal Department of Industry, or any successor or any department or agency thereof, administering the Radiocommunication Act (Canada), among other statutes, including its staff acting under delegated authority, and includes the Minister of Industry (Canada) and the Commissioner of Competition (Canada).

"Industry Canada Approval" means the prior approval of Industry Canada in respect of the Transfer of the Industry Canada Licenses from Sellers to Purchaser.

"Industry Canada Consent" includes the Industry Canada Approval and, if required, the Investment Canada Approval and the Competition Act Approval.

"Industry Canada Licenses" means the Industry Canada licenses and authorizations held by Sellers listed on Section 4.12(c) of the Disclosure Letter.

"Intellectual Property" means intellectual property of any kind or character, including (i) inventions, improvements thereto, and patents, patent applications, and patent disclosures, (ii) trademarks, service marks, logos, brand names, trade names, domain names and corporate names, including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (iii) copyrightable works, copyrights, and related applications, registrations, and renewals, and (iv) trade secrets, know-how, and tangible or intangible proprietary business information, software, computer programs, source and object codes, databases, and data.

"Intellectual Property Instruments" means instruments of Transfer, in form suitable for recording in the appropriate office or bureau, effecting the Transfer of the Copyrights, Trademarks and Patents owned or held by Sellers.

"Intercompany Receivables" means any and all amounts that are owed (i) by any direct or indirect Subsidiary or Affiliate of any Seller to any Seller, or (ii) from one Seller to

another, in each case pursuant to bona fide obligations, and all claims relating thereto or arising therefrom.

"Interests" means all liens, claims, interests, encumbrances, rights, remedies, restrictions, liabilities and contractual commitments of any kind or nature whatsoever, whether arising before or after the petition date in the Bankruptcy Cases, whether at law or in equity.

"Inventory" has the meaning set forth in Section 2.1(f).

"Investment Canada Act" means the Investment Canada Act (Canada), as amended.

"Investment Canada Approval" means, if required under Part IV of the Investment Canada Act, that the Minister of Industry has approved or shall be deemed to have approved the transactions contemplated by this Agreement pursuant to the Investment Canada Act on terms and conditions reasonably acceptable to Purchaser.

"IRS" means the United States Internal Revenue Service.

"ITU" means the International Telecommunication Union.

"Knowledge" as applied to Sellers (or any of them), means the actual knowledge of each person listed on Section 9.14 of the Disclosure Letter; and "Knowledge" as applied to Purchaser, means the actual knowledge of each person listed in Section 9.14 of the Purchaser Disclosure Letter.

"Leased Real Property" means the leasehold interests held by Sellers under the Real Property Leases.

"Lien" means, with respect to any Asset, any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, lien, charge, claim, security interest, easement or encumbrance, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any lease or title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of, or agreement to give, any financing statement perfecting a security interest under the Uniform Commercial Code as in effect from time to time in the State of New York or comparable law of any jurisdiction) and, in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

"Material Adverse Effect" means any change, effect, event or condition that has had or would reasonably be expected to have (i) a material adverse effect on the assets, operations, results of operations or condition (financial or otherwise) of the Business or the Acquired Assets or (ii) a material adverse effect on the ability of Sellers to consummate the Transactions; provided, that the following shall not constitute a Material Adverse Effect and shall not be taken into account in determining whether or not there has been or would reasonably be expected to be a Material Adverse Effect: (a) changes in general economic conditions or securities or financial markets in general, (b) changes, effects, events or conditions in the industry in which Sellers operate, (c) changes in Applicable Law or interpretations thereof by

any Governmental Entity, (d) any outbreak or escalation of hostilities or war (whether declared or not declared) or any act of terrorism, (e) changes, effects, events or conditions to the extent resulting from the announcement or the existence of, or compliance with, this Agreement and the Transactions (including any lawsuit related thereto), the impact on relationships with suppliers, customers, employees or others and any action or anticipated action by the FCC or Industry Canada as a result of this Agreement and/or the Transactions, (f) any changes in accounting regulations or principles, and (g) any changes resulting from actions of Sellers expressly agreed to or requested in writing by Purchaser.

"Material Contract" has the meaning set forth in Section 4.8(a).

"Mobile Satellite System" has the meaning set forth in Section 2.1(h).

"MSAT-1" means the first-generation satellite MSAT-1 and its components.

"MSAT-2" means the first-generation satellite MSAT-2 and its components.

"Non-Assumed Liabilities" has the meaning set forth in Section 2.4.

"Owned Real Properties" has the meaning set forth in Section 4.5.

"Patents" means all patents, patent applications and non-United States counterparts thereof, and industrial designs (including any continuations, divisionals, continuations-in-part, renewals, reissues, and applications for any of the foregoing).

"Permits" means permits, certificates, licenses, filings, approvals and other authorizations of any Governmental Entity.

"Permitted Liens" means (i) zoning laws and other land use restrictions that do not materially impair the present use or occupancy of the property subject thereto, (ii) any statutory Liens imposed by law for material Taxes that are not yet due and payable, or that a Seller is contesting in good faith in proper proceedings and which are set forth on Section 9.14 of the Disclosure Letter, (iii) any mechanics', workmen's, repairmen's, warehousemen's, carriers' or other similar Liens arising in the ordinary course of business, consistent with past practice or being contested in good faith, (iv) with respect to any Real Property, any defects, easement rights of way, restrictions, covenants, claims or other similar charges, that would not be reasonably likely to have a Material Adverse Effect on the use, title, value or possession of such Real Property, (v) any Liens set forth in Section 9.14 of the Disclosure Letter and (vi) such other Liens, if any, as may be expressly designated by Purchaser in its sole and absolute discretion by written notice delivered to Sellers at least two (2) Business Days prior to the Closing.

"Person" means any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, incorporated organization, association, corporation, institution, public benefit corporation, Governmental Entity or other entity.

"Plan" has the meaning set forth in the recitals hereto.

"Purchase Price" has the meaning set forth in Section 2.5(a).

"Purchased Intellectual Property" has the meaning set forth in Section 2.1(a).

"Purchaser" has the meaning set forth in the preamble hereof.

"Purchaser Disclosure Letter" means the disclosure letter of even date herewith prepared and signed by Purchaser and delivered to Sellers simultaneously with the execution hereof.

"Quebec Pension Plan" means the retirement pension plan sponsored by the Province of Quebec.

"Real Property" means all real property that is owned or used by any Seller or that is reflected as an Asset of any Seller on the Balance Sheet.

"Real Property Leases" means the real property leases to which any Seller is a party as described in Section 2.1(c).

"Regulatory Approvals" means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made), waivers, early termination authorizations, clearances or written confirmation of no intention to initiate legal proceedings from Governmental Entities as required and as set out in Section 9.14 of the Disclosure Letter.

"Required Regulatory Approvals" means, collectively, (i) all filings required with respect to and any consents, approvals or expiration or termination of any waiting period required under the HSR Act and any applicable United States or foreign antitrust or investment laws including the Competition Act and the Investment Canada Act, (ii) the FCC Consent, (iii) the Industry Canada Approval and (iv) all other Regulatory Approvals set forth in Section 7.3(b) of the Disclosure Letter.

"Retained Assets" has the meaning set forth in Section 2.2.

"Seller" and "Sellers" each has the meaning set forth in the preamble hereof.

"Seller Liabilities" means all Indebtedness, Claims, Liens, demands, expenses, commitments, liabilities and obligations (whether accrued or not, known or unknown, disclosed or undisclosed, matured or unmatured, fixed or contingent, asserted or unasserted, liquidated or unliquidated, arising prior to, at or after the commencement of the Bankruptcy Cases) of or against any Seller or any of the Acquired Assets.

"Seller Permits" has the meaning set forth in Section 4.12(c).

"SkyTerra-1" means the second-generation satellite SkyTerra-1 and its components.

"Software" means any and all (i) computer programs, including any and all software implementation of algorithms, models and methodologies, whether in source code or object code form, (ii) computerized databases and compilations, including any and all data and collections of data and (iii) all documentation, including user manuals and training materials, relating to any of the foregoing.

"Subsidiary" means, with respect to any Person, any corporation, association trust, limited liability company, partnership, joint venture or other business association or entity (i) at least 50% of the outstanding voting securities of which are at the time owned or controlled directly or indirectly by such Person or (ii) with respect to which such Person possesses, directly or indirectly, the power to direct or cause the direction of the affairs or management.

"System Failure" means the failure of any component that supports the overall power supply, operation, and/or maneuverability of a satellite, including solar arrays, momentum wheels, earth sensors, thrusters, propulsion systems, traveling wave tube amplifiers, low noise amplifiers, and other similar equipment.

"Tangible Personal Property" has the meaning set forth in Section 2.1(i).

"Tax" or "Taxes" means any and all United States federal, state, local or non-United States federal, provincial or municipal taxes, Transfer Taxes, fees, levies, duties, tariffs, imposts, and other similar charges on or with respect to net income, alternative or add-on minimum, gross income, gross receipts, sales, use, *ad valorem*, franchise, capital, paid-up capital, profits, license, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, environmental, or windfall profit tax, customs duties, value added or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any interest or any penalty, addition to tax or additional amount imposed by any Governmental Entity responsible for the imposition of any such tax.

"Tax Authority" means any Governmental Entity with responsibility for, and competent to impose, collect or administer, any form of Tax.

"Tax Return" means any return, claim, election, information return, declaration, report, statement, schedule, or other document required to be filed in respect of Taxes and amended Tax Returns and claims for refund.

"Termination Date" has the meaning set forth in Section 8.1(c).

"Third Party" means any Person other than Sellers, Purchaser or any of their respective Affiliates.

"Third Party Deposits" has the meaning set forth in Section 2.1(n).

"Throughput Capacity" means the rate at which SkyTerra-1 is downlinking data at a particular point in time, expressed in megabits per second.

"Trademarks" means any trademarks, service marks, trade names, corporate names, Internet domain names, designs, trade dress, product configurations, logos, slogans, and

general intangibles of like nature, together with all translations, adaptations, derivations and combinations thereof, all goodwill, registrations and applications in any jurisdiction pertaining to the foregoing.

"Transactions" means all the transactions provided for or contemplated by this Agreement and/or the Ancillary Agreements.

"Transfer" means sell, convey, assign, transfer and deliver, and "Transferable" shall have a corollary meaning.

"Transfer Taxes" means all goods and services, harmonized sales, excise, sales, use, transfer, stamp, stamp duty, recording, value added, gross receipts, documentary, filing, and all other similar Taxes or duties, fees or other like charges, however denominated (including any real property transfer taxes and conveyance and recording fees and notarial fees), in each case including interest, penalties or additions attributable thereto whether or not disputed and for greater certainty includes GST/HST and any other Canadian federal or provincial sales or excise taxes, arising out of or in connection with the Transactions, regardless of whether the Governmental Entity seeks to collect the Transfer Tax from Sellers or Purchaser.

"Transferred Employee" has the meaning set forth in Section 6.5(a).

"WARN Obligations" has the meaning set forth in Section 6.5(b).

Section 9.15 Interpretation.

(a) When a reference is made in this Agreement to a Section, Article, subsection, paragraph, item or Exhibit, such reference shall be to a Section, Article, subsection, paragraph, item or Exhibit of this Agreement unless clearly indicated to the contrary.

(b) Whenever the words "include," "includes" or "including" are used in this Agreement they shall be deemed to be followed by the words "without limitation."

(c) The words "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement.

(d) The meaning assigned to each term defined herein shall be equally applicable to both the singular and the plural forms of such term, and words denoting any gender shall include all genders. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(e) A reference to any party to this Agreement or any other agreement or document shall include such party's predecessors, successors and permitted assigns.

(f) A reference to any legislation or to any provision of any legislation shall include any amendment to, and any modification or re-enactment thereof, any legislative provision substituted therefor and all regulations and statutory instruments issued thereunder or pursuant thereto.

(g) References to $ are to United States Dollars.

(h) The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

(i) All references to the ordinary course of business or practice of Sellers means the ordinary and usual course of normal day-to-day operations of the Business through the date hereof consistent with past practice, recognizing that Sellers have filed the Bankruptcy Cases and the CCAA Recognition Proceedings.

Section 9.16 Bulk Transfer Notices. Sellers and Purchaser hereby waive compliance with any bulk transfer provisions of the Uniform Commercial Code, *the Bulk Sales Act* (Ontario) (or any similar Applicable Law), to the extent not repealed in any applicable jurisdiction, in connection with this Agreement and the Transactions.

Section 9.17 Expenses. Except as otherwise provided in this Agreement, Sellers and Purchaser shall bear their own respective expenses incurred in connection with the negotiation and execution of this Agreement and each other agreement, document and instrument contemplated by this Agreement and the consummation of the transactions contemplated hereby and thereby.

Section 9.18 Non-Recourse. No past, present or future director, officer, employee, incorporator, member, partner or equityholder of Sellers shall have any liability for any obligations or liabilities of Sellers under this Agreement or the Ancillary Agreements of or for any claim based on, in respect of, or by reason of, the transactions contemplated hereby and thereby.

[*Remainder of page intentionally left blank***]**

IN WITNESS WHEREOF, Purchaser and Sellers have executed this Agreement or caused this Agreement to be executed by their respective officers thereunto duly authorized as of the date first written above.

SELLERS:

LIGHTSQUARED INC.

By: _____
Name:
Title:

LIGHTSQUARED INVESTORS HOLDINGS INC.

By: _____
Name:
Title:

ONE DOT FOUR CORP.

By: _____
Name:
Title:

ONE DOT SIX CORP.

By: _____
Name:
Title:

SKYTERRA ROLLUP LLC

By: _____
Name:
Title:

SKYTERRA ROLLUP SUB LLC

By: _____
Name:
Title:

TMI COMMUNICATIONS DELAWARE, LIMITED PARTNERSHIP

By: _____
Name:
Title:

SKYTERRA INVESTORS LLC

By: _____
Name:
Title:

LIGHTSQUARED GP INC.

By: _____
Name:
Title:

LIGHTSQUARED LP

By: _____
Name:
Title:

ATC TECHNOLOGIES, LLC

By: _____
Name:
Title:

LIGHTSQUARED CORP.

By: _____
Name:
Title:

LIGHTSQUARED INC. OF VIRGINIA

By: _____
Name:
Title:

LIGHTSQUARED SUBSIDIARY LLC

By: _____
Name:
Title:

LIGHTSQUARED FINANCE CO.

By: _____
Name:
Title:

ONE DOT SIX TVCC CORP.

By: _____
Name:
Title:

LIGHTSQUARED NETWORK LLC

By: _____
Name:
Title:

LIGHTSQUARED BERMUDA LTD.

By: _____
Name:
Title:

SKYTERRA HOLDINGS (CANADA) INC.

By: _____
Name:
Title:

SKYTERRA (CANADA) INC.

By: _____
Name:
Title:

PURCHASER:

[ ]

By: _____
Name:
Title:

Exhibit A

Form of Bill of Sale

Exhibit B

Form of Escrow Agreement

Exhibit C

Form of Assignment and Assumption Agreement

Schedule 2

Sale Notice

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

NOTICE OF (I) PROPOSED SALE OF LIGHTSQUARED'S ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES, (II) BID PROCEDURES, (III) AUCTION, AND (IV) CONFIRMATION HEARING

PLEASE TAKE NOTICE that, on September 10, 2013, 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"), filed a motion (the "Motion")[2] with the United States Bankruptcy Court for the Southern District of New York (the "Court") for entry of an order, pursuant to sections 105, 1123, and 1129 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the "Bankruptcy Code"), Rules 2002, 6004, 6006, 9007, 9008, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), Rules 6004-1, 6006-1, and 9006-1 of the Local Rules for the United States Bankruptcy Court for the Southern District of New York (the "Local Rules"), and General Order M-383 of the United States Bankruptcy Court for the Southern District of New York ("General Order M-383"), (i) establishing the proposed bid procedures (the "Bid Procedures") for the sale(s) (the "Sale") of all or substantially all of the assets of LightSquared (the "Assets"), or any grouping or subset thereof, including authorizing LightSquared to grant bidder protections in connection with the Sale; (ii) authorizing and scheduling a date and time to hold an auction (the "Auction") to solicit higher or otherwise better bids for LightSquared's assets; (iii) approving assumption and assignment procedures (the "Assumption and Assignment Procedures"); (iv) approving the form and manner of notice (the "Sale Notice") with respect to the Sale and the Auction; and (v) granting related relief.

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

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion and the Bid Procedures, as applicable.

PLEASE TAKE FURTHER NOTICE that on [_____], 2013, the Court entered an order [Docket No. ___] (the "Bid Procedures Order") approving the form of the Bid Procedures and setting certain dates and deadlines relating to the Auction, the Sale, and the Confirmation Hearing, as summarized below.

PLEASE TAKE FURTHER NOTICE that the **"Bid Deadline" is November 20, 2013 at 5:00 p.m. (prevailing Eastern time).** A potential bidder that desires to make a bid for the Assets, or any grouping or subset thereof, is required under the Bid Procedures Order to deliver a written copy of all bid materials to (i) Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, NY 10005 (Attn: Matthew S. Barr, Esq. and Karen Gartenberg, Esq.), counsel to LightSquared; (ii) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022 (Attn: Paul M. Basta, Esq. and Joshua A. Sussberg, Esq.), counsel to the Independent LightSquared Committee; (iii) White & Case LLP, 1155 Avenue of the Americas, New York, NY 10036 (Attn: Thomas E Lauria, Esq., Glenn M. Kurtz, Esq., and Andrew C. Ambruoso, Esq.), counsel to the Ad Hoc Secured Group; and (iv) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036 (Attn: Philip C. Dublin, Esq., Kenneth A. Davis, Esq., and Meredith A. Lahaie, Esq.), counsel to MAST and U.S. Bank, as administrative agent under the Prepetition Inc. Credit Agreement and administrative agent under the DIP Credit Agreement (collectively, the "Notice Parties") **no later than the Bid Deadline. Any person or entity that does not submit a bid by the Bid Deadline (as may be extended pursuant to the Bid Procedures) shall not be permitted to participate in the Auction.** LightSquared may, in its reasonable discretion (after providing advance notice to the Stakeholder Parties of such decision), extend the Bid Deadline once or successively, but it is not obligated to do so; provided, that in no event shall the Bid Deadline be extended beyond November 25, 2013. If LightSquared extends the Bid Deadline, it shall promptly notify all Potential Bidders of the extension.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Bid Procedures Order, if LightSquared receives from any Qualified Bidders a Qualified Bid (other than the LBAC Bid or the MSAC Bid, which have been deemed by the Court to be Qualified Bids under the Bid Procedures) by the Bid Deadline (as such terms are defined in the Bid Procedures), **LightSquared shall conduct the Auction on November 25, 2013 commencing at 10:00 a.m. (prevailing Eastern time) at the offices of Milbank, Tweed, Hadley & McCloy LLP, at which time all Qualified Bidders may bid and participate in the Auction pursuant to the terms of the Bid Procedures.** As described in the Bid Procedures, LightSquared is soliciting bids for all of the Assets, which may also include a bid for any grouping or subset of the Assets. LightSquared, after consultation with the Stakeholder Parties, will not close the Auction until all Qualified Bidders have been given a reasonable opportunity to submit an overbid at the Auction to the then-existing highest or otherwise best bid(s), as determined by LightSquared, after consultation with the Stakeholder Parties. Only bidders who submit bids in accordance with the Bid Procedures will be allowed to attend the Auction. If the Bid Deadline is extended in LightSquared's reasonable discretion, after providing advance notice to the Stakeholder Parties of such decision, to November 25, 2013, the Auction shall be conducted on December 3, 2013 beginning at 10:00 a.m. (prevailing Eastern time). The Auction may be further adjourned by LightSquared, with the consent of the Lender Parties, to any date agreed to by LightSquared and the Lender Parties; provided, that the Auction shall not be adjourned beyond December 6, 2013.

A copy of the Motion, the Form APA, the LBAC Stalking Horse Agreement, the MSAC Stalking Horse Agreement, the Bid Procedures, and the Bid Procedures Order may be obtained by (i) contacting the attorneys for LightSquared, Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, NY 10005 (Attn: Matthew S. Barr, Esq. and Karen Gartenberg, Esq.); (ii) accessing the Court's website at http://www.nysb.uscourts.gov (please note that a PACER password is needed to access documents on the Court's website); (iii) viewing the docket of the Chapter 11 Cases at the Clerk of the Court, United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, NY 10004; or (iv) accessing the public website maintained by LightSquared's court-appointed claims and noticing agent, Kurtzman Carson Consultants, LLC ("KCC"), at www.kccllc.net/LightSquared (the "Website"). Copies of such documents may also be obtained by contacting KCC at (877) 499-4509.

PLEASE TAKE FURTHER NOTICE that the Confirmation Hearing is currently scheduled to be held on December 10, 2013 at 10:00 a.m. (prevailing Eastern time) at the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, Courtroom No. 621, One Bowling Green, New York, NY 10004 before the Honorable Shelley C. Chapman, United States Bankruptcy Court Judge, to consider the Sale. The Confirmation Hearing may be continued from time to time by the Court or LightSquared (at the Court's direction) without further notice other than by such adjournment being announced in open court or by a notice of adjournment filed with the Court and served in accordance with the *Order Establishing Certain Notice, Case Management, and Administrative Procedures* [Docket No. 121] (the "Case Management Order").

PLEASE TAKE FURTHER NOTICE THAT ANY OBJECTIONS TO THE SALE OF ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, AND ENCUMBRANCES MUST BE IN WRITING, FILED, AND SERVED SO AS TO BE ACTUALLY RECEIVED BY NOVEMBER 26, 2013 AT 4:00 P.M. (PREVAILING EASTERN TIME) by the Court and the following parties: (i) Milbank, Tweed, Hadley & McCloy LLP, One Chase Manhattan Plaza, New York, NY 10005, Attn: Matthew S. Barr, Esq., Steven Z. Szanzer, Esq., and Karen Gartenberg, Esq., counsel to LightSquared, (ii) Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022, Attn: Paul M. Basta, Esq. and Joshua A. Sussberg, Esq., counsel to the Independent LightSquared Committee, (iii) the Notice Parties, and (iv) any additional entities on the Master Service List (as defined in the Case Management Order) and available on LightSquared's Website; provided, however, that objections to LightSquared's selection of the highest and otherwise best bid only must be filed, served, and received by the aforementioned parties by December 6, 2013 at 11:59 p.m. (prevailing Eastern time).

PLEASE TAKE FURTHER NOTICE THAT ANY OBJECTION BY A COUNTERPARTY TO AN EXECUTORY CONTRACT OR UNEXPIRED LEASE TO A PROPOSED ASSUMPTION, ASSUMPTION AND ASSIGNMENT, OR RELATED CURE AMOUNT MUST BE IN WRITING, FILED, AND SERVED SO AS TO BE ACTUALLY RECEIVED BY NOVEMBER 29, 2013 AT 4:00 P.M. (PREVAILING EASTERN TIME) by the Court and: (i) Milbank, Tweed, Hadley & McCloy LLP, One Chase

Manhattan Plaza, New York, NY 10005 (Attn: Matthew S. Barr, Esq., Steven Z. Szanzer, Esq., and Karen Gartenberg, Esq.), counsel to LightSquared, (ii) the applicable Qualified Bidder, and (iii) any other notice parties identified on the Contract and Lease Counterparties Notice; provided, however, that any objection by a counterparty to an executory contract or unexpired lease solely to the proposed purchaser's financial wherewithal must be filed, served, and actually received by the aforementioned parties no later than 11:59 p.m. (prevailing Eastern time) on December 6, 2013.

THIS NOTICE IS QUALIFIED IN ITS ENTIRETY BY THE BID PROCEDURES ORDER AND THE MOTION. ALL PERSONS AND ENTITIES ARE URGED TO READ THE BID PROCEDURES ORDER AND THE MOTION AND THE PROVISIONS THEREOF CAREFULLY.

PLEASE TAKE FURTHER NOTICE THAT THE FAILURE TO ABIDE BY THE PROCEDURES AND DEADLINES SET FORTH IN THE BID PROCEDURES ORDER AND THE BID PROCEDURES MAY RESULT IN THE FAILURE OF THE COURT TO CONSIDER A COMPETING BID OR AN OBJECTION TO THE PROPOSED SALE.

Dated: [_____], 2013
New York, New York

BY ORDER OF THE COURT

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

Schedule 3

Contract and Lease Counterparties Notice

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

NOTICE TO ASSUMED
CONTRACT AND LEASE COUNTERPARTIES

PLEASE TAKE NOTICE that on [_____], 2013, the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") entered the *Order (I) Approving Disclosure Statements, (II) Approving Solicitation and Notice Procedures with Respect to Confirmation of Competing Plans, (III) Approving Forms of Various Ballots and Notices in Connection Therewith, (IV) Approving Scheduling of Certain Dates in Connection with Confirmation of Competing Plans, and (V) Granting Related Relief* [Docket No. _____] (the "Disclosure Statement Order") that, among other things, (i) approved the adequacy of the (a) *General Disclosure Statement* [Docket No. 815] (as may be further amended or supplemented from time to time, and including all exhibits and supplements thereto, the "General Disclosure Statement"), (b) *Specific Disclosure Statement for Debtors' Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 818] (as may be further amended or supplemented from time to time, and including all exhibits and supplements thereto, the "LightSquared Specific Disclosure Statement"), (c) *Disclosure Statement for Joint Chapter 11 Plan for LightSquared LP, ATC Technologies, LLC, LightSquared Corp., LightSquared Inc. of Virginia, LightSquared Subsidiary LLC, LightSquared Finance Co., LightSquared Network LLC, Lightsquared Bermuda Ltd., SkyTerra Holdings (Canada) Inc., and SkyTerra (Canada) Inc., Proposed by the Ad Hoc Secured Group of LightSquared LP Lenders* [Docket No. 765] (as may be further amended or supplemented from time to time, and including all exhibits and supplements thereto, the "Ad Hoc Secured Group Disclosure Statement"), (d) *Specific Disclosure Statement for Chapter 11 Plan for One Dot Six Corp. Proposed by U.S. Bank National Association and Mast Capital Management, LLC* [Docket No. ___] (as may be further amended or supplemented from time to time, and including all exhibits and supplements thereto, the "U.S. Bank/MAST Specific

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

Disclosure Statement"); and (e) *Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code Proposed by Harbinger Capital Partners, LLC* [Docket No. ___] (as may be further amended or supplemented from time to time, and including all exhibits and supplements thereto, the "Harbinger Specific Disclosure Statement" and, collectively with the General Disclosure Statement, the LightSquared Specific Disclosure Statement, the Ad Hoc Secured Group Disclosure Statement, and the U.S. Bank/MAST Specific Disclosure Statement, the "Disclosure Statements") and (ii) authorized the above-captioned debtors and debtors in possession (collectively, "LightSquared" or the "Debtors") to solicit acceptances or rejections of each chapter 11 plan (each, as may be further amended or supplemented from time to time and including all exhibits and supplements thereto, a "Competing Plan") that has been proposed in these Chapter 11 Cases from holders of impaired claims or equity interests who are (or may be) entitled to receive distributions under one or more of the Competing Plans.[2] On [_____], 2013, the Ontario Superior Court of Justice (Commercial List) granted an order that, among other things, recognized, and granted the full force and effect of, the Disclosure Statement Order in Canada.

YOU ARE RECEIVING THIS NOTICE because you or one of your affiliates is a counterparty to an executory contract or an unexpired lease with LightSquared.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Competing Plans and the Disclosure Statement Order, **your status as counterparty to an executory contract or an unexpired lease, in and of itself, does not entitle you to vote on any of the Competing Plans at this time**. Accordingly, this notice and the Confirmation Hearing Notice are being sent to you for informational purposes only. If you are entitled to vote, you will receive a Ballot and voting instructions.

To Assumed Contract/Lease Counterparties: [LightSquared intends to/[PLAN PROPONENT] intends to have LightSquared] *assume*, or *assume and assign*, the executory contract(s) or unexpired lease(s) to which you are a counterparty. LightSquared has conducted a review of its books and records and has determined that the cure amount for unpaid monetary obligations under such contract(s) or lease(s) is $**[AMOUNT]** (the "Cure Obligation"). If you object to the proposed assumption or disagree with the proposed Cure Obligation, you must file an objection with the Bankruptcy Court and serve it on LightSquared and [Plan Proponent] so as to be received **no later than on November 29, 2013 at 4:00 p.m. (prevailing Eastern time);** provided, however, that any objection by a counterparty to an executory contract or unexpired lease solely to the proposed purchaser's financial wherewithal must be filed, served, and actually received by the aforementioned parties no later than 11:59 p.m. (prevailing Eastern time) on December 6, 2013. Any counterparty to an executory contract or unexpired lease that fails to object timely to the proposed assumption, or assumption and assignment, or Cure Obligation will be deemed to have assented to such assumption or Cure Obligation.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the General Disclosure Statement or the *Motion for Entry of Order (I) Approving Solicitation and Notice Procedures with Respect to Confirmation of Competing Plans, (II) Approving Form of Various Ballots and Notices in Connection Therewith, (III) Approving Scheduling of Certain Dates in Connection with Confirmation of Plan, and (IV) Granting Related Relief* [Docket No. ____].

PLEASE TAKE FURTHER NOTICE that **a hearing to consider the confirmation of each of the Competing Plans will commence on December 10, 2013 at 10:00 a.m. (prevailing Eastern time) before the Honorable Shelley C. Chapman, United States Bankruptcy Judge, in the United States Bankruptcy Court for the Southern District of New York**. The deadline for filing objections to any Competing Plan is 4:00 p.m. (prevailing Eastern time) on November 26, 2013; provided, however, that objections to LightSquared's selection of the highest and otherwise best bid only must be filed, served, and received by the below-mentioned parties by December 6, 2013 at 11:59 p.m. (prevailing Eastern time). Any objection to a Competing Plan must: (i) be in writing; (ii) conform to the Bankruptcy Rules, Local Bankruptcy Rules, and *Order Establishing Certain Notice, Case Management, and Administrative Procedures* [Docket No. 121] (the "Case Management Order"); (iii) state the name and address of the objecting party and the amount and nature of the claim or equity interest of such entity; (iv) state with particularity the basis and nature of any objection to the Competing Plan and, if practicable, a proposed modification to the Competing Plan that would resolve such objection; and (v) be filed, contemporaneously with a proof of service, with the Bankruptcy Court and served on Milbank, Tweed, Hadley & M^{c}Cloy LLP, One Chase Manhattan Plaza, New York, NY 10005, Attn: Matthew S. Barr, Esq., Steven Z. Szanzer, Esq., and Karen Gartenberg, Esq., and each of the entities on the Master Service List (as defined in the Case Management Order and available on LightSquared's case website at http://www.kccllc.net/lightsquared).

PLEASE TAKE FURTHER NOTICE that neither the exclusion nor inclusion of any contract or lease on the Contract and Lease Counterparties Notice, nor anything contained in any Competing Plan, shall constitute an admission by any Plan Proponent that any such contract or lease is or is not, in fact, an executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code. Further, the inclusion of any contract or lease on the Contract and Lease Counterparties Notice does not ultimately establish that such contract or lease shall be assumed, or assumed and assigned, as each Plan Proponent expressly reserves the right to alter, amend, modify, or supplement the Contract and Lease Counterparties Notice at any time prior to the effective date of, and in accordance with, the applicable Competing Plan.

PLEASE TAKE FURTHER NOTICE that if you did not receive, and would like to obtain, a Solicitation Package or the Disclosure Statements (and exhibits, including the Competing Plans), or if you have questions or need additional information, you may contact Kurtzman Carson Consultants LLC, the notice, claims, solicitation, and balloting agent retained by LightSquared in these Chapter 11 Cases (the "Claims and Solicitation Agent"), by: (i) calling LightSquared's restructuring hotline at (877) 499-4509, (ii) visiting LightSquared's restructuring website at: http://www.kccllc.net/lightsquared, (iii) writing to Kurtzman Carson Consultants LLC, Attn: LightSquared, 2335 Alaska Avenue, El Segundo, CA 90245, or (iv) e-mailing LightSquaredInfo@kccllc.com. You may also obtain copies of any pleadings filed in these Chapter 11 Cases for a fee via PACER at: http://www.nysb.uscourts.gov.

IF YOU HAVE ANY QUESTIONS REGARDING THIS NOTICE, PLEASE CONTACT THE CLAIMS AND SOLICITATION AGENT AT (877) 499-4509.

Dated: [_____], 2013
New York, New York

BY ORDER OF THE COURT

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