Defendants in the commission of their fraud was a direct and proximate cause of Plaintiffs' injuries.

106. Plaintiffs have been damaged by the Sound Point Defendants' wrongdoing. Their misconduct in aiding and abetting the Ergen Defendants' fraud, as alleged herein, was outrageous, willful and wanton, and perpetrated with an evil motive and a reckless indifference to the rights of Plaintiffs. The Ergen Defendants' fraudulent scheme that the Sound Point Defendants aided and abetted, as alleged herein, was intended to misappropriate Harbinger's ownership interests in and control over LightSquared. If that scheme is allowed to come to fruition, then Harbinger will lose the entirety of its unique controlling interest in LightSquared and suffer additional billions of dollars in damages.

107. By reason of the foregoing, Plaintiffs are entitled to a judgment against the Sound Point Defendants, jointly and severally, for compensatory and punitive damages in an amount to be determined at the trial, but in excess of $2 billion.

AS AND FOR A FOURTH CAUSE OF ACTION

(Tortious Interference With Prospective Economic Advantage -- Against The Ergen Defendants)

108. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 107 above as if fully set forth herein.

109. Since the filing of these Chapter 11 Cases, Harbinger, as LightSquared's controlling shareholder, has engaged in extensive efforts and negotiations to reach agreement on a consensual plan of reorganization with LightSquared's creditors -- the same creditors from whom Defendants through SPSO were purchasing the Loan Debt by means of fraudulent misrepresentations -- and to raise sufficient new financing to pay off those creditors in full and

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retain its controlling equity interests. The Ergen Defendants knew of these efforts and negotiations

110. Harbinger has not been able to propose a plan to pay all of LightSquared's creditors in cash, an outcome to which Harbinger devoted substantial time and resources and upon which it reached material agreement with Jefferies and others. Defendants' misconduct caused the failure of those efforts to pay all LightSquared creditors in cash.

111. The Ergen Defendants were aware of Harbinger's efforts and negotiations described above. In seeking to misappropriate Harbinger's ownership interests in and control over LightSquared, the Ergen Defendants intentionally and without justification interfered with Harbinger's prospective economic advantage with creditors through tortious conduct, wrongful economic pressure, and other wrongful means, including, without limitation, by:

(a) Deliberately and improperly keeping SPSO's trades of Loan Debt open for weeks and months, including by fraudulently misrepresenting to these creditors that Defendants were permitted to enter into such trades, such that Harbinger could not identify the true holders of the Loan Debt and the sellers of that debt -- including the parties Defendants knew would be lenders in the new exit facility -- were kept in limbo and unable to take on new financing commitments to LightSquared;

(b) Tendering a low-ball bid through LBAC for certain of LightSquared's assets, and disclosing the amount of the confidential Ergen Bid to the public, such that potential investors would undervalue the assets;

(c) Knowingly and wrongfully gaining control of the Ad Hoc Secured Group to prematurely cut off Harbinger and LightSquared's negotiations with the Ad Hoc Secured Group.

112. As a result of this interference, Harbinger's efforts to negotiate a plan with its creditors have been stymied and it has been unable to raise sufficient exit financing to repay all creditors under the terms and timeframe contemplated by the original engagement. Absent this interference, it is reasonably certain that Harbinger would have succeed in negotiating this plan as, by early June, Harbinger and LightSquared had agreed upon all material terms of a plan with the members of the Ad Hoc Secured Group.

113. By reason of the foregoing, Plaintiffs are entitled to a judgment against the Ergen Defendants, jointly and severally, for compensatory and punitive damages in an amount to be determined at the trial, but in excess of $2 billion.

AS AND FOR A FIFTH CAUSE OF ACTION

(Tortious Interference With Jefferies Relationship -- Against The Ergen Defendants)

114. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 113 above as if fully set forth herein.

115. Harbinger and Jefferies have a longstanding and public relationship. It was widely known that (i) Jefferies was lead bookmaker on a January 2013 secondary sale of one Harbinger portfolio company; (ii) Jefferies made a well-publicized loan to Harbinger in early 2012; and (iii) Jefferies was the broker for numerous sales of shares of Harbinger portfolio companies, both public and private. Indeed, Ergen and Dish/EchoStar themselves had an inside track to Jefferies' negotiations through their own relationship with Jefferies. For example, Dish engaged Jefferies to assist with financing for its $25.5 billion bid for Sprint. Moreover, Jefferies is experienced in distressed capital raises and the telecommunications industry, and familiar with

LightSquared and trading in its securities. Thus, when the Ergen Defendants entered into back-to-back trades with debt-holders using Jefferies as a broker, they were aware that Jefferies was a logical choice to provide exit financing, and that Harbinger and Jefferies had a prospective business relationship with respect to the Exit Loan.

116. In fact, on May 30, 2013, LightSquared ultimately did engage Jefferies -- which engagement was approved by the bankruptcy court -- to act as sole and exclusive manager and placement agent or arranger to secure the Exit Loan in an amount sufficient to form the cornerstone of a plan that would pay off all of LightSquared's creditors in full and allow Harbinger to retain its equity interests. In addition to negotiating and supporting LightSquared's retention of Jefferies in connection with the Exit Loan, Harbinger itself was party to an integrally related agreement with Jefferies to fund up to approximately $80 million in fees associated with that financing in exchange for Jefferies providing the financing. The Ergen Defendants were aware of Harbinger's agreement to pay approximately $80 million in fees to secure the Exit Loan, which was publicly disclosed to the bankruptcy court in the motion to approve Jefferies' engagement. Thus, prior to entering into these agreements, Harbinger and Jefferies had an ongoing relationship and an expectation of the prospective economic advantage of arranging financing for the Exit Loan, and thereafter, Harbinger was party to an integrated agreement for Jefferies to arrange financing for the Exit Loan.

117. In seeking to misappropriate Harbinger's ownership interests in and control over LightSquared, the Ergen Defendants intentionally and without justification interfered with Harbinger's contractual and/or protected business relationship with Jefferies by tortious conduct, wrongful economic pressure, and other wrongful means. Among other things, the Ergen Defendants acted through SPSO to enter into two "back-to-back" transactions with Jefferies to

acquire LightSquared's Loan Debt and LP Preferred interests. The Ergen Defendants knew that SPSO was not permitted to acquire these interests, and would be unable to settle the "back-to-back" trades, but fraudulently misrepresented to Jefferies that SPSO was a permitted purchaser. Jefferies relied upon these misrepresentations in entering into the trades with SPSO. Moreover, once it entered into the trades, the Ergen Defendants continued their tortious interference by refusing to take steps to unwind the trades or otherwise rectify their own wrongdoing.

118. When SPSO refused to settle the trades, Jefferies was left holding over $160 million in LightSquared securities on its books, preventing it from raising the full amount of the Exit Loan on its original terms and in the original timeframe contemplated by the parties.

119. SPSO's interference caused Jefferies' failure to raise the full amount of the Exit Loan. Prior to that interference, Jefferies in fact stated that it was "highly confident" that it could raise the full Exit Loan amount, allowing LightSquared to repay its creditors in full and Harbinger to retain its equity interests. However, as a result of the Ergen Defendants' tortious interference, Jefferies has been unable to perform its contractual commitments to raise the Exit Loan in the full amount. Harbinger has been harmed by that wrongdoing: its economic opportunity to obtain the financing needed to repay all of its creditors in cash, and to enable LightSquared to emerge from bankruptcy with Harbinger's equity interest and control rights preserved, has been frustrated.

120. By reason of the foregoing, Plaintiffs are entitled to a judgment against the Ergen Defendants, jointly and severally, for compensatory and punitive damages in an amount to be determined at the trial, but in excess of $2 billion.

AS AND FOR A SIXTH CAUSE OF ACTION

(Unfair Competition -- Against all Defendants)

121. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 120 above as if fully set forth herein.

122. Harbinger had a bargained for and protected right to control LightSquared, which included a right to be free from fraudulent infiltration by competitors into LightSquared's capital structure. Defendants fraudulently and in bad faith misappropriated that control by acquiring hundreds of millions of dollars in Loan Debt through SPSO -- unbeknownst to Harbinger -- to obtain a blocking position in LightSquared's capital structure so they could unfairly compete against Harbinger by (i) forcing Harbinger to sell LightSquared's assets to them or (ii) preventing the confirmation of a plan that retains Harbinger's equity in LightSquared.

123. If Harbinger is deprived of its investment in LightSquared and its control over the spectrum assets, its investment interest in LightSquared will be destroyed and it will be unable to develop the ATC Network to compete against the Dish/EchoStar Defendants in the integrated broadband network.

124. Harbinger's efforts to maximize its investment in LightSquared already have been severely compromised. If Defendants' plan to obtain an unfair competitive advantage succeeds, then Harbinger will be deprived of its investment in LightSquared and will suffer additional billions of dollars in damages.

125. By reason of the foregoing, Plaintiffs are entitled to a judgment against Defendants, jointly and severally, for compensatory and punitive damages in an amount to be determined at the trial, but in excess of $2 billion.

AS AND FOR A SEVENTH CAUSE OF ACTION

(Civil Conspiracy -- Against all Defendants)

126. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 125 above as if fully set forth herein.

127. As alleged above, the Ergen Defendants through SPSO fraudulently acquired LightSquared's Loan Debt, with the substantial assistance of the Sound Point Defendants, all to Harbinger's detriment.

128. Defendants, individually and collectively, and others, did corruptly conspire and agree to injure Harbinger by misappropriating its ownership interests in and control over LightSquared, as set forth above, and intentionally participated in this conspiracy. Among other things, the Dish/EchoStar Defendants, SO Holdings, and SPSO, conspired with the Sound Point Defendants to acquire the Loan Debt fraudulently, interfere with Harbinger's ability to obtain an Exit Loan, and undermine Harbinger's ability to obtain a favorable plan in the bankruptcy proceeding.

129. But for Defendants' concerted and fraudulent acts, there would have been no reason for the resulting injury to Harbinger.

130. By reason of the foregoing, Plaintiffs are entitled to a judgment against Defendants, jointly and severally, for compensatory and punitive damages in an amount to be determined at the trial, but in excess of $2 billion.

AS AND FOR AN EIGHTH CAUSE OF ACTION

(Objection to Claim Under 11 USC § 502(a) -- Against SPSO)

131. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 130 above as if fully set forth herein.

132. As alleged above, because SPSO was not an Eligible Assignee, its purchase of the Loan Debt did not convey to it any rights under the Credit Agreement. *See* Credit Agreement § 10.04(a)(i) and (ii).

133. Section 10.04(a)(i) only allows a lender to "assign or otherwise transfer any of its rights or obligations" under the Credit Agreement to "an Eligible Assignee" in accordance with Section 10.04(b). As alleged herein, because Dish and EchoStar control SPSO, SPSO was a "Disqualified Company" and it was not an Eligible Assignee. *Id.* § 10.04(a)(i). Moreover, the Credit Agreement explicitly bars parties that are not Eligible Assignees from holding claims under or by reason of the Agreement: "[n]othing in this Agreement, expressed or implied, shall be construed to confer upon any person (other than . . . assigns . . .) any legal or equitable right, remedy or claim under or by reason of this Agreement." *Id.* § 10.04(a).

134. Accordingly, because SPSO is not an Eligible Assignee, the purported transfers of Loan Debt to SPSO did not "assign or otherwise transfer any . . . rights or obligations" under Section 10.04(a) of the Credit Agreement, and the Agreement did not "confer upon [SPSO] . . . any legal or equitable right, remedy or claim under or by reason of [the Credit Agreement]." Therefore, any claim SPSO holds on account of its purported interest in the Loan Debt should be disallowed.

135. Plaintiffs, as creditors of LightSquared LP and creditors and equity holders of LightSquared, are parties in interest entitled to object to SPSO's claim.

136. By reason of the foregoing, Plaintiffs are entitled to judgment disallowing SPSO's claim under Section 502(a) of the Bankruptcy Code.

DEMAND FOR JURY TRIAL

Plaintiffs demand a trial by jury on all issues and claims so triable.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs demand judgment against Defendants, jointly and severally, as follows:

A. Either (i) equitably disallowing SPSO's claims in their entirety; or alternatively and at a minimum, (ii) equitably disallowing SPSO's claims to the extent that payment upon those claims would result in Defendants' realizing a profit from their wrongdoing;

B. Disallowing SPSO's claim in full on the grounds that SPSO is not a permitted "Eligible Assignee," but rather is a "Disqualified Company," under the Credit Agreement;

C. Awarding compensatory damages in an amount to be proven at trial, but not less than $2 billion;

D. Punitive damages in an amount to be proven at trial, but not less than $2 billion;

E. Costs and fees, including attorneys' fees;

F. Pre- and post-judgment interest, to the maximum extent permitted by law; and

G. Such other and further relief as this Court deems appropriate.

Dated: New York, New York
September 30, 2013

Respectfully submitted,

KASOWITZ, BENSON, TORRES
& FRIEDMAN LLP

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Attorneys for Plaintiffs Harbinger Capital Partners LLC, HGW US Holding Company LP, Blue Line DZM Corp., and Harbinger Capital Partners SP, Inc.

Exhibit D

YOUNG CONAWAY STARGATT & TAYLOR, LLP
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October 3, 2013

VIA EMAIL

Mark Lebovitch
Bernstein Litowitz Berger & Grossmann LLP
1285 Avenue of the Americas
New York, NY 10019-6028

Re: *Jacksonville Police and Fire Pension Fund on behalf of DISH Network Corporation v. Charles W. Ergen, et al.*

Dear Mr. Lebovitch:

On behalf of the Special Litigation Committee ("SLC") of DISH Network Corporation ("DISH"), we write in response to your September 23, 2013 letter, demanding that the SLC pursue – or support your client's pursuit of – each of the claims asserted in the Complaint (the "Demand"). Your letter also urges the SLC to pursue immediate relief, by reconstituting the Special Transaction Committee, and requests certain information concerning the SLC. You have subsequently clarified by telephone that the immediate action your client demands from the SLC need not take the form of reconstituting the Special Transaction Committee, that any immediate action that provides the relief sought by your preliminary injunction motion would suffice.

Response to Demand That Claims Be Pursued

Under the governing DISH Board resolutions, which are attached,[1] the SLC has been granted full authority to investigate each of the claims of the Complaint, to determine whether their pursuit is in the best interests of DISH and to act on behalf of DISH in this litigation. The SLC has retained independent counsel, specifically my firm, Young Conaway Stargatt & Taylor, LLP, and Holland & Hart LLP, which together have substantial experience in corporate governance, bankruptcy and special litigation committee matters. The SLC has received advice of counsel concerning its fiduciary duties as members of a special litigation committee.

[1] We are providing the DISH Board resolutions on a confidential basis, pending the entry of an appropriate confidentiality order.

The SLC takes seriously each of the claims asserted in the Complaint and will conduct a thorough investigation. Upon completion of the investigation, the SLC will determine whether pursuit of the claims is in the best interests of DISH and respond to your demand that they be pursued.

To thoroughly investigate all the claims of the Complaint, the SLC expects that it will need approximately four months to complete its investigation. It expects, during the coming weeks, to request and review documents from DISH and other relevant persons and to complete its review of documents by early November. The SLC further expects to conduct interviews of relevant persons during November and early December. Thereafter, it will deliberate to determine the appropriate course of action in response to the Demand. Since issues may arise that may require more time to investigate than now estimated, the SLC cannot be certain when it will complete its investigation. However, it currently projects that it will complete its investigation by the end of January 2014. It would not make sense for the SLC to conclude its investigation until after the Bankruptcy Court has confirmed a bankruptcy plan because future events in that proceeding could affect the SLC's determinations.

Response to Request for Immediate Relief

The SLC has considered your client's demand for immediate action that would provide the relief sought by your client's motion for preliminary injunction. Specifically, the SLC has considered whether it would be in the best interest of DISH for the SLC to seek to prevent Ergen and the directors that allegedly lack independence from him from influencing DISH's decisions in the auction or concerning more generally DISH's efforts to acquire LightSquared's assets.

Based primarily upon a few points set forth in the Complaint, to which all parties apparently agree, the contents of filings in the Bankruptcy Court, including the recent order establishing LBAC as the "stalking horse" bidder, and various principles of relevant corporate governance and bankruptcy law, as well as certain practical considerations, the SLC does not believe that the requested action would serve the best interests of DISH.

The SLC believes that such actions are unwarranted and also would harm DISH, including in its effort to acquire LightSquared's assets. The SLC believes that the actions are unwarranted for the following reasons: As you have correctly alleged in the Complaint, due to the bids previously submitted by Ergen, through L-Band Acquisition, LLC, and DISH, who has now been established as the "stalking horse" bidder, Ergen will receive par plus substantially all accrued interest on his secured debt of LightSquared, if LightSquared is to be sold. For this reason, even if Ergen were to control decisions by DISH in the bidding process, he could not increase the value of his interest in LightSquared's secured debt. He therefore no longer has any material personal interest that might induce him to make decisions for DISH that are not in DISH's best interest but might increase the value of his personal interest in the secured debt. No further decision by DISH could increase that value because the value could never exceed its existing value at par plus substantially all accrued interest. Ergen therefore no longer has any

material personal interest in DISH's decisions that diverges from those of DISH's remaining stockholders. In fact, as the owner of 52% of DISH's equity, his interests are well aligned with DISH and its other stockholders.

As for whether Ergen's participation in decisions by DISH might impede or impair DISH's efforts to acquire LightSquared's assets in the bankruptcy proceeding, the SLC believes that there is no material risk that this will occur. DISH is now beyond any material risk that Ergen's participation might prevent DISH's LBAC from becoming the "stalking horse" bidder. With full knowledge of Harbinger's allegations concerning Ergen's acquisition of the secured debt and Ergen's relationship to DISH and LBAC, the Bankruptcy Court determined last Monday that LBAC would be the "stalking horse" bidder potentially entitled to a $51.8 million "break up" fee, if an alternative transaction is consummated, subject to certain exceptions. DISH therefore is now well positioned in the bankruptcy auction.

The Harbinger adversary proceeding does not present a material risk that DISH will be precluded or hindered in its efforts to acquire LightSquared's assets. The Complaint states that Harbinger seeks, in the adversary proceeding, "a bankruptcy designation that DISH is not a good faith bidder." This is not correct. Harbinger's complaint asserts no such claim for relief. The only claims against DISH are for damages.

Harbinger *has* asserted that DISH's LBAC is not a good faith bidder in support of its effort to have the Bankruptcy Court approve its proposed bankruptcy plan, which does not permit a sale to LBAC or any other bidder. However, the SLC believes that there is not a material risk that, if LBAC is the winning bidder, the Bankruptcy Court would effectively reject LBAC's bid and approve Harbinger's plan, based upon the notion that LBAC is not a good faith bidder. To do so, the Bankruptcy Court would have to forgo alternative plans that it believes provide greater value to LightSquared and its creditors, and subject LightSquared and its creditors to the $51.8 million "break up" fee, which it approved while knowing of the argument that LBAC is not a good faith bidder. If the Bankruptcy Court ever develops a concern about Ergen's acquisition of the secured debt of LightSquared, while controlling DISH and LBAC, the most direct remedy for the Bankruptcy Court would be to simply disallow Ergen's secured debt, the remedy that Harbinger is already seeking in its adversary proceeding, disqualify its vote or otherwise affect the debt. It seems exceedingly unlikely that the Bankruptcy Court would penalize LightSquared and its creditors, by denying them the value of a plan that would provide them with more value, including a winning LBAC bid, and subjecting them to the "break up" fee, when it has available a remedy that would harm only Ergen.

The SLC further believes that it would be harmful to DISH to prevent Ergen and the directors that allegedly lack independence from him – seven of the existing eight directors – from influencing DISH's decisions concerning the acquisition of LightSquared. It would be detrimental to DISH's effort to acquire LightSquared's assets to preclude nearly the entire board from functioning fully at such a critical moment.

Responding to expedited discovery and preparing for the requested evidentiary hearing on the motion for preliminary injunction would consume valuable time of the defendant directors, management and counsel. Since this time might otherwise be invested in the efforts to acquire LightSquared, the requested discovery and preliminary injunction would interfere with DISH's ability to properly prepare for and participate in the auction of LightSquared. Even if your client limits the requested discovery, the matters raised by its injunction motion are complex, the discovery burden would still be substantial and many of the directors, DISH's management and outside counsel would be needed to help prepare DISH's defense and possibly to testify.[2] The requested injunction hearing and expedited discovery would undermine the very purpose for which the injunction is ostensibly sought.

Moreover, pursuing the injunctive relief would require the movant to make arguments that would be damaging to DISH's defense of Harbinger's adversary proceeding, which seeks $2 billion from DISH. The motion for preliminary injunction is predicated in substantial part upon the notion that Harbinger's position in the bankruptcy proceedings presents a risk to DISH's efforts to acquire LightSquared's assets. To establish that there is such a risk, the movant will necessarily need to demonstrate that Harbinger's claims may have merit. If they are meritless, there would be no risk and no need for injunctive relief. To demonstrate that there is risk, the Complaint indeed quotes extensively from the Harbinger complaint and goes so far as to allege that the conduct of DISH and Ergen at the present time is "similar" to DISH's conduct in the DBSD case, in which DISH was found to have acted in bad faith in acquiring debt of a debtor in bankruptcy. This is the same argument made by Harbinger. In seeking to obtain a preliminary injunction, the movant would have to prove or come close to proving a central aspect of Harbinger's claims, thereby increasing the possibility of a $2 billion damages award against DISH.

Although the SLC does not believe that pursuing preliminary injunctive relief is in the best interests of DISH, it will be attending DISH Board meetings. If Ergen's personal interest diverges from the interests of DISH and its remaining stockholders or if the SLC otherwise has reason to believe that the Board may not act in the best interests of DISH, the SLC will promptly seek remedial action and, if it is not forthcoming, advise the Court about the concern and seek appropriate injunctive or other relief.

The SLC has reached no views on the remaining aspects of the Complaint and will not do so until it has investigated them fully by, among other measures, obtaining and reviewing relevant documents, interviewing relevant persons and considering relevant legal principles.

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[2] *Cf. Rosenblum v. Sharer*, 2008 U.S. Dist. LEXIS 65353, at *25 (C.D. Cal. July 28, 2008) (granting motion to stay and stating: "[I]t seems sensible for [the company] and its stockholders that [the company's] resources be devoted for some time to the federal securities action").

Response to Requests for Information

As for your requests for information, we attach hereto, on a confidential basis, the final resolutions establishing the SLC and defining the scope of its authority. The resolutions also address the SLC's funding. We detail below the relevant facts pertaining to the independence of the members of the SLC. We identify above the firms that will act as the SLC's counsel. We also set forth above the expected timeline for the SLC's investigation.

The following are the disclosures concerning the independence of the members of the SLC:

Mr. Ortolf has served on the DISH Board since May 2005 and is a member of its Audit Committee, Compensation Committee and Nominating Committee. He is also a member of the Board of EchoStar Corporation ("EchoStar"). He was one of the first employees and later was President of EchoStar, which then included the business that is now DISH. For nearly 20 years, he has been the President of Colorado Meadowlark Corp., a privately held investment management firm.

Mr. Ortolf met Ergen in 1977 at Frito-Lay, where they were office mates. They have maintained a generally friendly professional relationship since then.[3] With the exception noted below, Mr. Ortolf has not had any other involvement with Mr. Ergen other than in his capacity as a director of DISH and EchoStar, for which he has received disclosed director's fees and options, and as a former member of EchoStar's management, for which he received annual W-2 compensation of less than $100,000 annually. In 1983, Mr. Ortolf began working at Ecosphere Corporation ("Echosphere"), earning a salary and also earning equity. In 1986, he sold his equity interest to Ecosphere for $1 million. In 1987, he invested the $1 million plus approximately $400,000, which he had borrowed, in Echostar's predecessor, of which he was then President and Chief Operating Officer. There, he earned a salary and earned a percentage of the company's profits. During the course of his employment at EchoStar's predecessor, the amount of profits distributed to him were in the amounts needed to cover the taxes that he owed on his percentage of the profits. Upon leaving EchoStar in 1991, his initial investment, the appreciation on his initial investment and the profits to which he was entitled that had not

[3] "Allegations of mere personal friendship or a mere outside business relationship, standing alone, are insufficient to raise a reasonable doubt about a director's independence." *Beam ex rel. Martha Stewart Living Omnimedia, Inc. v. Stewart,* 845 A.2d 1040, 1050 (Del. 2004). *See also, e.g., Zimmerman v. Crothall*, 2012 Del. Ch. LEXIS 64, at *44 (Mar. 5, 2012) ("To rebut the presumption of director independence, a plaintiff must allege more than that the directors 'moved in the same social circles, attended the same weddings, developed business relationships before joining the board, and described each other as "friends."'" (citations omitted)).

previously been distributed for taxes, all of which totaled about $7 million, were distributed to him. After subsequently lending a portion of the $7 million to EchoStar, it was repaid to him by EchoStar within about six months.

The exception referenced above is that, in 1992, Mr. Ortolf invested with Echosphere and another entity unrelated to Ergen in a new venture called Titan Satellite Systems, Inc., which discontinued business at a loss within eighteen months. The amount invested and lost by Mr. Ortolf was approximately $600,000.

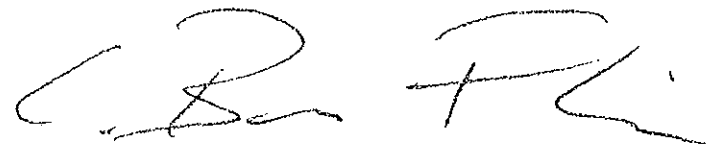
Mr. Ortolf owns 60,000 shares of DISH stock, with a market value of approximately $2.75 million. He also own 12,000 shares of EchoStar stock, with a market value of approximately $500,000. The shares of DISH and EchoStar were acquired by Mr. Ortolf with cash.[4]

Mr. Brokaw will join the DISH Board on October 7, 2013. Over the years, he has served on the boards of directors of multiple companies, including Capital Business Credit LLC, Timberstar, Value Place Holdings LLC and North American Energy Partners Inc. (a NYSE-listed company), where Mr. Brokaw served on the audit committee. He is deeply experienced in investment and mergers and acquisitions matters, having most recently served as Managing Director of Highbridge Principal Strategies, LLC, until September 30, 2013. Between 2005 and 2012, Mr. Brokaw was a Managing Partner and Head of Private Equity at Perry Capital, L.L.C. Prior to joining Perry Capital, in 2005 Mr. Brokaw was Managing Director (Mergers & Acquisitions) of Lazard Frères & Co. LLC. Mr. Brokaw has had no prior relationship with DISH, EchoStar or any other entity related to Ergen. Mr. Brokaw's mother-in-law is friends from childhood with Cantey Ergen. Due to this relationship and because Mr. Brokaw's in-laws now live outside the United States, in Australia, at the request of Mr. Brokaw's wife, Ms. Ergen was made godmother to Mr. Brokaw's son. Mr. Brokaw has seen one or both of the Ergens once or twice a year. From time to time, Mr. Ergen has solicited Mr. Brokaw's professional views on

[4] DISH did not exclude Mr. Ortolf from participation on the STC due to concerns about his independence from Mr. Ergen. Rather, Mr. Ortolf recused himself from participation on the STC because, at the time, Mr. Ortolf was a member of the board of directors of EchoStar, and EchoStar had a potential interest in bidding on the LightSquared assets. EchoStar later determined that it was not interested in submitting a bid, and the DISH/EchoStar conflict that existed at the formation of the STC ceased.

some matters, without compensation. In 2003, Mr. Brokaw, as an investment banker for Lazard Frères & Co. LLC, on behalf of SBC, acted adversely to Mr. Ergen, on behalf of EchoStar, in negotiating the unwinding of an agreement between SBC and EchoStar.

Very truly yours,



C. Barr Flinn

CBF:jkm

DISH NETWORK CORPORATION

CERTIFICATE OF THE ASSISTANT SECRETARY

The undersigned, being the Assistant Secretary of DISH Network Corporation (the "Corporation"), a Nevada Corporation, hereby certifies that:

> Attached hereto as Exhibit A is a true and correct copy of resolutions duly adopted by the board of directors of the Corporation (the "Board of Directors") at the Special Meeting of the Board of Directors held on September 18, 2013.

IN WITNESS WHEREOF, I have hereunto signed my name effective as of the 3rd day of October, 2013.

Brandon Ehrhart
Vice President, Associate General Counsel and Assistant Secretary

Exhibit A

Formation of the Special Litigation Committee

WHEREAS, the board of directors (the "Board of Directors") of DISH Network Corporation (the "Corporation") believes it is in the best interests of the Corporation to establish a special committee of the Board of Directors (the "Special Litigation Committee"), consisting of Messrs. Tom A. Ortolf and George R. Brokaw (each a "Committee Member" and collectively the "Committee Members"), pursuant to NRS 78.125 (the "Nevada Statute") and the applicable provisions of the Bylaws of the Corporation, for the purposes set forth herein; and

WHEREAS, the Board of Directors has determined that the Committee Members are independent of the claims asserted in the shareholder derivative action filed by the Jacksonville Police and Fire Pension Fund in the District Court, Clark County, Nevada (together with any amendments, revisions or other pleadings related thereto or generated thereby) and any similar shareholder derivative actions that may be filed from time to time (collectively, the "Derivative Litigation");

NOW, THEREFORE, BE IT RESOLVED, that in light of the foregoing, the Board of Directors has determined, in the good faith exercise of its reasonable business judgment, that it is advisable and in the best interests of the Corporation and its stockholders to establish the Special Litigation Committee to accomplish the purposes and to carry out the intent of the resolutions herein; and further

RESOLVED, that the Special Litigation Committee be, and it hereby is, established, in accordance with the Nevada Statute and the applicable provisions of the Bylaws of the Corporation with all the powers and authority of the Board of Directors to accomplish the purposes and to carry out the intent of the resolutions herein; and further

RESOLVED, that the Board of Directors has determined that each of Tom A. Ortolf and George R. Brokaw are independent of the claims asserted in the Derivative Litigation and neither of them has, or is subject to, any interest that, in the opinion of the Board of Directors, would interfere with the exercise by him of his independent judgment as a member of the Special Litigation Committee and that, each of them be, and they hereby are, appointed as the Committee Members to hold such office for so long as is necessary to carry out the functions and exercise the powers expressly granted to the Special Litigation Committee as shall be authorized in the resolutions herein; and further

RESOLVED, that the Board of Directors hereby delegates to the Special Litigation Committee the power and authority of the Board of Directors

to: (1) review, investigate and evaluate the claims asserted in the Derivative Litigation; (2) file any and all pleadings and other papers on behalf of the Corporation which the Special Litigation Committee finds necessary or advisable in connection therewith; (3) determine whether it is in the best interests of the Corporation and/or to what extent it is advisable for the Corporation to pursue any or all of the claims asserted in the Derivative Litigation taking into consideration all relevant factors as determined by the Special Litigation Committee; (4) prosecute or dismiss on behalf of the Corporation any claims asserted in the Derivative Litigation; and (5) direct the Corporation to formulate and file any and all pleadings and other papers on behalf of the Corporation which the Special Litigation Committee finds necessary or advisable in connection therewith, including, without limitation, the filing of other litigation and counterclaims or cross complaints, or motions to dismiss or stay the proceedings if the Special Litigation Committee determines that such action is advisable and in the best interests of the Corporation; and further

RESOLVED, that, in furtherance of its duties as delegated by the Board of Directors, the Special Litigation Committee is hereby authorized and empowered to retain and consult with such advisors, consultants and agents, including, without limitation, legal counsel and other experts or consultants, as the Special Litigation Committee deems necessary or advisable to perform such services, reach conclusions or otherwise advise and assist the Special Litigation Committee in connection with carrying out its duties as set forth in the resolutions herein; and further

RESOLVED, in connection with carrying out its duties as set forth in the resolutions herein, the Special Litigation Committee is hereby authorized and empowered to enter into such contracts providing for the retention, compensation, reimbursement of expenses and indemnification of such legal counsel, accountants and other experts or consultants as the Special Litigation Committee deems necessary or advisable, and that the Corporation is hereby authorized and directed to pay, on behalf of the Special Litigation Committee, all fees, expenses and disbursements of such legal counsel, experts and consultants on presentation of statements approved by the Special Litigation Committee, and that the Corporation shall pay all such fees, expenses and disbursements and shall honor all other obligations of the Corporation and/or the Special Litigation Committee under such contracts; and further

RESOLVED, that, in connection with carrying out its duties as set forth in the resolutions herein: (1) the officers of the Corporation are hereby authorized and directed to provide to the Special Litigation Committee, each Committee Member and any of their advisers, agents, counsel and designees, such information and materials, including, without limitation, the books and records of the Corporation and any documents, reports or

studies pertaining to the Derivative Litigation as may be useful or helpful in the discharge of the Special Litigation Committee's duties or as may be determined by the Special Litigation Committee, or any member thereof, to be appropriate or advisable in connection with the discharge of the duties of the Special Litigation Committee; (2) the Special Litigation Committee is authorized and empowered to meet with both present and past members of the Board of Directors who are not members of the Special Litigation Committee or with the officers of the Corporation to solicit the views of such directors and/or officers pertaining to the Derivative Litigation as may be useful or helpful in the discharge of the Special Litigation Committee's duties or as may be determined by the Special Litigation Committee, or any member thereof, to be appropriate or advisable in connection with the discharge of the duties of the Special Litigation Committee; (3) the Special Litigation Committee may but shall not be required to make such reports to the Board of Directors with respect to its deliberations and recommendations at such times and in such manner as it considers appropriate and consistent with carrying out its duties as set forth in the resolutions herein; and (4) to the fullest extent consistent with law, the deliberations and records of the Special Litigation Committee shall be confidential and maintained as such by each Committee Member and any legal counsel, experts and consultants engaged by the Special Litigation Committee and, without limiting the generality of the foregoing, all statutory and common law privileges shall be available with respect to legal advice rendered to, and documents prepared by counsel to assist, the Special Litigation Committee in its deliberations; and further

RESOLVED, that the Corporation shall indemnify each Committee Member in the manner and to the extent set forth under the current practices of the Corporation under the Articles of Incorporation of the Corporation in effect as of the date of this meeting (the "Current Articles") and under the Bylaws of the Corporation in effect as of the date of this meeting (the "Current Bylaws") regarding indemnification and advancement of expenses to the members of the Board of Directors against permitted items (as set forth in the Current Articles and Current Bylaws) arising out of the fact that the Committee Member is a member of the Special Litigation Committee, regardless of whether the Current Articles and the Current Bylaws are amended or modified in the future; with the sole exception that the advancement of expenses (including, without limitation, attorney's fees) incurred in defending against any such permitted items shall be determined in the sole discretion of the chairman of the Audit Committee of the Board of Directors (the "Audit Committee") if not a member of the Special Litigation Committee (or the next most senior member of the Audit Committee who is not a member of the Special Litigation Committee if the chairman of the Audit Committee is a member of the Special Litigation Committee (or the Chief Financial Officer of the Corporation if all members of the Audit Committee are

members of the Special Litigation Committee)), but otherwise subject to the terms and conditions applicable under the Current Articles and Current Bylaws, including, without limitation, that subject to an undertaking by or on behalf of the Committee Member to repay such amount if it shall ultimately be determined by a final order of a court of competent jurisdiction that he is not entitled to be indemnified by the Corporation for such permitted items; and further

RESOLVED, that, as of the date of this meeting, Mr. Brokaw be, and hereby is, designated as a Beneficiary (as defined in the D&O Trust (as defined below)) under the terms and conditions of that certain 2004 Indemnification Trust entered into by and between the Corporation and U.S. Bank National Association as of November 22, 2004 (the "D&O Trust"), with all of the rights, duties and obligations of a Beneficiary as set forth in the D&O Trust; and further

RESOLVED, that for their services on the Special Litigation Committee, each Committee Member shall be entitled to receive compensation as set forth on Schedule A (at the times specified therein), together, during the pendency of their service on the Special Litigation Committee, with prompt reimbursement of expenses reasonably incurred in connection with their services on the Special Litigation Committee; and further

General Enabling Resolutions

RESOLVED, that the proper officers be, and each one of them acting alone or with one or more other proper officers hereby is, authorized, empowered and directed, in the name and on behalf of the Corporation and its subsidiaries and under their corporate seals or otherwise, from time to time, to make, execute and deliver, or cause to be made, executed and delivered, all such other and further agreements, certificates, instruments or documents, to pay or reimburse all such filing fees and other costs and expenses, and to do and perform or cause to be done or performed all such acts and things, as in their discretion or in the discretion of any of them may be necessary or desirable to enable the Corporation and its subsidiaries to accomplish the purposes and to carry out the intent or the foregoing resolutions; and further

RESOLVED, that any and all actions previously taken by any of the proper officers of the Corporation and its subsidiaries within the terms of the foregoing resolutions be, and the same hereby are, ratified and confirmed in all respects.

Schedule "A"

Special Litigation Committee Compensation

Each Committee Member will be compensated $5,000 per month while serving on the Special Litigation Committee; provided that, the Board of Directors shall review the amount of such compensation following the date that is five (5) months after the date of this meeting.

Exhibit E

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

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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 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.

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.

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[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;

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[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 &

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, (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

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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

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[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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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.

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[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]

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[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

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.

Docket 69012 Document 2016-16707

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.

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[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 & McCloy 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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EXHIBIT 9

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DISTRICT COURT

CLARK COUNTY, NEVADA

JACKSONVILLE POLICE AND FIRE PENSION FUND, derivatively on behalf of nominal defendant DISH NETWORK CORPORATION,

Plaintiff,

v.

CHARLES W. ERGEN; JOSEPH P. CLAYTON; JAMES DEFRANCO; CANTEY M. ERGEN; STEVEN R. GOODBARN; DAVID K. MOSKOWITZ,; TOM A. ORTOLF; CARL E. VOGEL; DOES I-X, inclusive and ROE ENTITIES I-X, inclusive,

Defendants.

DISH NETWORK CORPORATION, a Nevada corporation,

Nominal Defendant.

Case No.: A-13-686775-B
Dept. No.: XI

STIPULATION AND ORDER FOR DISMISSAL WITHOUT PREJUDICE FOR DEFENDANT STEVEN R. GOODBARN

STIPULATION AND ORDER FOR DISMISSAL WITHOUT PREJUDICE FOR DEFENDANT STEVEN R. GOODBARN

WHEREAS, on September 12, 2013, Jacksonville Police and Fire Pension Fund ("Plaintiff") filed a Verified Amended Shareholder Derivative Complaint on behalf of Dish Network Corporation ("Dish") in the above-referenced action (the "Action"), naming Steven R. Goodbarn ("Defendant Goodbarn") among others as a defendant;

WHEREAS, on September 13, 2013, Plaintiff filed a Motion for Preliminary Injunction and for Discovery on an Order Shortening Time;

WHEREAS, on September 18, 2013, Defendant Goodbarn filed a Motion to Dismiss the Amended Complaint Pursuant to Nev. R. Civ. P. 12(b)(5);

WHEREAS, on September 18, 2013, Defendant Goodbarn filed a Supplemental Response to Plaintiff's Motion for Expedited Discovery; and

WHEREAS, Defendant Goodbarn has represented that he is willing to serve as a member of an independent special committee of the Dish board of directors charged with evaluating any participation by Dish in bidding for LightSquared L.P. ("LightSquared") or certain LightSquared assets, provided that such special committee is independent and has an adequate charge, scope of authority and funding to act solely in Dish's interests.

IT IS HEREBY STIPULATED THAT:

1. Defendant Goodbarn is dismissed without prejudice as a defendant from this Action;

2. Defendant Goodbarn's Motion to Dismiss the Amended Complaint Pursuant to Nev. R. Civ. P. 12(b)(5) filed on September 18, 2013 is withdrawn without prejudice;

3. Defendant Goodbarn's Supplemental Response to Plaintiff's Motion for Expedited Discovery filed on September 18, 2013 is withdrawn without prejudice;

4. Defendant Goodbarn will be subject to discovery as if he was a party to this Action; and

5. If invited, Defendant Goodbarn will serve on an appropriately funded and structured independent committee for the benefit of Dish and its shareholders.

Dated: 10/1/2013

COTTON, DRIGGS, WALCH HOLLEY, WOLOSON & THOMPSON

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Attorneys for Plaintiff

Dated: 10/1/2013

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Attorneys for Defendant Steven R. Goodbarn

ORDER

UPON STIPULATION OF THE PARTIES, and good cause appearing therefore, it is

HEREBY ORDERED, ADJUDGED and DECREED that:

1. Defendant Goodbarn is dismissed without prejudice as a defendant from this Action;

2. Defendant Goodbarn will be subject to discovery as if he was a party to this Action; and

Dated this ____ day of _____, 2013.

_____
DISTRICT COURT JUDGE

Respectfully submitted by:

COTTON, DRIGGS, WALCH, HOLLEY, WOLOSON & THOMPSON

W. —

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Attorneys for the Special Litigation Committee of Dish Network Corporation

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CLERK OF THE COURT

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DISTRICT COURT

CLARK COUNTY, NEVADA

JACKSONVILLE POLICE AND FIRE PENSION FUND, derivatively on behalf of nominal defendant DISH NETWORK CORPORATION, Plaintiff, v. CHARLES W. ERGEN; JOSEPH P. CLAYTON; JAMES DEFRANCO; CANTEY M. ERGEN; STEVEN R. GOODBARN; DAVID K. MOSKOWITZ; TOM A. ORTOLF; CARL E. VOGEL; DOES I-X, inclusive and ROE ENTITIES I-X, inclusive, Defendants. DISH NETWORK CORPORATION, a Nevada corporation, Nominal Defendant.	Case No. A-13-686775-B Dept. No. XI **STATUS REPORT**

JA001336

On September 18, 2013, the Special Litigation Committee ("SLC") of nominal defendant DISH Network Corporation ("DISH") was duly formed with plenary authority and funding, as more fully described herein, to investigate, analyze and evaluate all claims of the Verified Amended Derivative Complaint (the "Complaint"), to decide whether the claims should be dismissed, stayed or prosecuted and to take any and all actions on behalf of DISH in this litigation.[1] The SLC consists of Tom A. Ortolf, an existing DISH Board member, and George R. Brokaw, who will join the Board on October 7, 2013. The resolutions establishing the SLC are attached as **Exhibit "A."** Facts concerning the independence of the members of the SLC are detailed herein.

On September 25, 2013, the SLC retained independent counsel, Young Conaway Stargatt & Taylor, LLP ("YCST"), a Delaware law firm with expertise in both corporate governance and bankruptcy matters. The SLC also retained independent experienced Nevada counsel, Holland & Hart LLP, to advise the SLC on matters of Nevada law and to serve as co-counsel in this proceeding. The SLC thereafter was advised by counsel of its fiduciary duties to DISH in connection with its investigation and any decisions it may make on behalf of DISH for purposes of this proceeding.

On September 23, 2013, the derivative plaintiff in this litigation, Jacksonville Police and Fire Pension Fund, made a written demand (the "Demand") on the SLC that it pursue – or support the derivative plaintiff's pursuit of – all the claims in the Complaint. A copy of the Demand is attached hereto as **Exhibit "B."** In the Demand, the derivative plaintiff further demanded that the SLC seek immediately the reconstitution of DISH's Special Transaction

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[1] Since the filing of the Complaint, five additional shareholder derivative complaints have been filed. One was filed on September 18, 2013, in this Court. *See DCM Multi-Manager Fund, LLC v. Ergen, et al.*, C.A. No. A 13-688862-C. Two were filed on October 2 and October 3, 2013, respectively, in the United Stated District Court for the District of Nevada. *See Iron Workers District Council (Phila. and Vicinity) Ret. and Pension Plan v. Ergen et al.*, Case 2:13-cv-01810-GMN-PAL; *La. Mun. Police Employees' Ret. Sys. v. Ergen et al.*, Case 1:13-cv-02688-RBJ. And two were filed on September 23 and September 25, 2013, respectively, in the United States District Court for the District of Colorado. *See City of Daytona Beach Police Officers' and Firefighters' Ret. Sys.*, Case 1:13-cv-02631-WYD; *Iron Workers Mid-South Pension Fund v. Ergen, et al.*, Case 1:13-cv-92628.

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Committee with complete control over DISH's bidding in the upcoming auction for the sale of LightSquared L.P. ("LightSquared"). Counsel for the derivative plaintiff subsequently clarified by telephone that the immediate action sought by the derivative plaintiff need not take the form of reconstituting the Special Transaction Committee, but that it would be sufficient for the SLC to take any immediate action that would provide the relief sought by the derivative plaintiff's motion for preliminary injunction. The Demand also requested information concerning the SLC, including its authorizing Board resolutions, which have been provided. In its response filed earlier today, the SLC informed the derivative plaintiff that it takes seriously the claims in the Complaint, would investigate them thoroughly and would decide whether they should be pursued, stayed or dismissed in the best interest of DISH and its stockholders.

The SLC has commenced its investigation. Among other steps detailed herein, it has already reviewed, through counsel, relevant filings by the parties in this Court and relevant filings in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), where the bankruptcy of LightSquared is pending, including the adversary complaint asserted against Ergen, DISH and others by Harbinger Capital Partners ("Harbinger"). A copy of the Harbinger complaint is attached as **Exhibit "C."** The SLC also has had bankruptcy counsel attend telephonically the bidding procedures hearing in the Bankruptcy Court, held last Monday, September 30, 2013, pursuant to which, by means of a bidding procedures order entered the following day, the Bankruptcy Court deemed DISH's L-Band Acquisition LLC ("LBAC") a "Qualified Bidder," approved LBAC as the "stalking horse" bidder for the auction of LightSquared, entitled to a $51.8 million "break up" fee, if a sale to LBAC is not consummated, subject to usual exceptions, and set a schedule for the auction of LightSquared.

The Bankruptcy Court set a November 20, 2013 deadline for other bidders to submit opening bids and November 25, 2013, as the date of the auction. Following the auction, at a plan confirmation hearing targeted for December 10, 2013, the Bankruptcy Court will consider alternative bankruptcy plans submitted by LightSquared, an ad hoc committee of secured lenders and Harbinger. The first two plans provide for the sale of the LightSquared assets

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pursuant to the auction; the Harbinger plan does not provide for the sale of LightSquared. If the Bankruptcy Court approves one of the plans that provide for a sale, LightSquared will be sold to the highest and best bidder, which is presently LBAC. If the Court approves the Harbinger plan, LightSquared will not be sold.

To thoroughly investigate all the claims of the Complaint, the SLC expects that it will need approximately four months to complete its investigation.[2] It expects to request and review documents from DISH and other relevant persons and to complete its review of documents by early November. The SLC further expects to conduct interviews of relevant persons during November and early December. Thereafter, it will deliberate to determine the appropriate course of action in response to the Demand. Since issues may arise that may require more time to investigate than now estimated, the SLC cannot be certain when it will complete its investigation. However, it currently projects that it will complete its investigation by the end of January 2014. It would not make sense for the SLC to conclude its investigation until after the Bankruptcy Court has confirmed a bankruptcy plan because future events in the bankruptcy could affect the SLC's determinations.

Due to the derivative plaintiff's demand that the SLC take immediate action to obtain the relief sought by the preliminary injunction motion, and the pendency of the derivative plaintiff's motion to expedite discovery and schedule a preliminary injunction hearing, the SLC has promptly considered these matters. Specifically, it has considered whether it should take action in an effort to prevent Ergen and the directors that allegedly lack independence from him – seven of the existing eight directors – from influencing DISH's bidding and other decisions concerning the upcoming auction of LightSquared. Based primarily upon a few points set forth in the Complaint, to which all parties apparently agree, the contents of filings in the Bankruptcy Court, including the recent order establishing LBAC as the "stalking horse" bidder, and various principles of relevant corporate governance and bankruptcy law, as well as certain practical considerations, the SLC does not believe that the requested relief, if granted,

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[2] The SLC anticipates moving this Court for the entry of a stay pending resolution of its investigation, which the SLC believes is in DISH's best interest.

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would serve the best interest of DISH. In its response to the Demand, the SLC so informed the derivative plaintiff by letter today. A copy of this letter is attached as **Exhibit "D."** The SLC summarizes its principal reasoning below and details it later in this Report.

Most fundamentally, the parties appear to agree, as alleged in the Complaint, that due to DISH's $2.2 billion "stalking horse" bid, Ergen's secured debt of LightSquared will be paid at par plus substantially all accrued if LightSquared is sold in the bankruptcy auction. Therefore, Ergen no longer has any material personal financial interest in DISH's bids. Whatever decisions DISH makes with respect to any subsequent bid, Ergen will receive the same amount on the secured debt. So his interests no longer diverge from those of DISH. And, as the owner of most of DISH's equity, he has a strong incentive to ensure that DISH acquires LightSquared on the most favorable terms possible, without overpaying. Also, the recent decision by the Bankruptcy Court to establish LBAC as the "stalking horse" bidder potentially entitled to a $51.8 million "break up" fee means that LBAC is well positioned in the auction. As detailed herein, in the view of the SLC, there is little likelihood that, the Bankruptcy Court would deny LightSquared and its creditors the value of LBAC's winning bid, and subject them to the $51.8 million "break up" fee, on grounds that LBAC is somehow not a good faith bidder. As detailed herein, the Bankruptcy Court was aware of Harbinger's arguments, when it established LBAC as the "stalking horse" bidder and approved the "break up" fee. Finally, the SLC believes that DISH needs the collective expertise, experience and wisdom of its full board at this critical juncture.

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I. The SLC

A. Formation of the SLC

On September 18, 2013, the board of directors (the "Board") of DISH Network Corporation (the "Company") formed the SLC to consider, among other things, whether the derivative litigation filed by the derivative plaintiff in the District Court, Clark County, Nevada should be dismissed, pursued or settled. The statutory authority supporting the formation of the SLC is found in NRS 78.125, which provides that the Board "may designate one or more committees which, to the extent provided in the resolution or resolutions or in the bylaws of the

corporation have and may exercise the powers of the board of directors in the management of the business and affairs of the corporation."[3] The SLC has been granted full authority to determine the Company's response to the pending action. Specifically, the Board has vested the SLC with the "power and authority of the Board of Directors" to:

> (1) review, investigate and evaluate the claims asserted in the Derivative Litigation; (2) file any and all pleadings and other papers on behalf of the Corporation which the Special Litigation Committee finds necessary or advisable in connection therewith; (3) ***determine whether it is in the best interest of the Corporation and/or to what extent it is advisable for the Corporation to pursue any or all of the claims asserted in the Derivative Litigation taking into consideration all relevant factors as determined by the Special Litigation Committee***; (4) ***prosecute or dismiss on behalf of the Corporation any claims asserted in the Derivative Litigation***; and (5) direct the Corporation to formulate and file any and all pleadings and other papers on behalf of the Corporation which the Special Litigation Committee finds necessary or advisable in connection therewith, including, without limitation, the filing of other litigation and counterclaims or cross complaints, or motions to dismiss or stay the proceedings if the Special Litigation Committee determines that such action is advisable and in the best interests of the Corporation . . . .

A complete copy of the resolutions establishing the SLC are attached hereto as Exhibit A.

B. Members of the SLC

There are two members of the SLC, Mr. Ortolf and Mr. Brokaw. Mr. Ortolf has served on the DISH Board since May 2005 and is a member of its Audit Committee, Compensation Committee and Nominating Committee. He is also a member of the Board of EchoStar Corporation ("EchoStar"). He was one of the first employees and later was President of EchoStar, which then included the business that is now DISH. For nearly 20 years, he has been the President of Colorado Meadowlark Corp., a privately held investment management firm.

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[3] NRS 78.138(2)(c) further provides that in performing their respective duties, directors and officers are entitled to rely on information, opinions, reports, books of account or statements, including financial statements and other financial data, that are prepared or presented by: "A committee on which the director or officer relying thereon does not serve, established in accordance with NRS 78.125, as to matters within the committee's designated authority and matters on which the committee is reasonably believed to merit confidence."

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Mr. Ortolf met Ergen in 1977 at Frito-Lay, where they were office mates. They have maintained a generally friendly professional relationship since then.[4] With the exception noted below, Mr. Ortolf has not had any other involvement with Mr. Ergen other than in his capacity as a director of DISH and EchoStar, for which he has received disclosed director's fees and options, and as a former member of EchoStar's management, for which he received annual W-2 compensation of less than $100,000 annually. In 1983, Mr. Ortolf began working at Echosphere Corporation ("Echosphere"), earning a salary and also earning equity. In 1986, he sold his equity interest to Echosphere for $1 million. In 1987, he invested the $1 million plus about $400,000, which he had borrowed, in Echostar's predecessor, of which he was then President and Chief Operating Officer. There, he earned a salary and earned a percentage of the company's profits. During the course of his employment at EchoStar's predecessor, the amount of profits distributed to him were in the amounts needed to cover the taxes that he owed on his percentage of the profits. Upon leaving EchoStar in 1991, his initial investment, the appreciation on his initial investment and the profits to which he was entitled that had not previously been distributed for taxes, all of which totaled about $7 million, were distributed to him. After subsequently lending a portion of the $7 million to EchoStar, it was subsequently repaid to him by EchoStar within about six months.

The exception referenced above is that, in 1992, he invested with EchoStar's predecessor, Echosphere and another entity unrelated to Ergen in a new venture called Titan Satellite Systems, Inc., which discontinued business at a loss within eighteen months. The amount invested and lost by Mr. Ortolf was approximately $600,000.

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[4] "Allegations of mere personal friendship or a mere outside business relationship, standing alone, are insufficient to raise a reasonable doubt about a director's independence." *Beam ex rel. Martha Stewart Living Omnimedia, Inc. v. Stewart,* 845 A.2d 1040, 1050 (Del. 2004). *See also, e.g., Zimmerman v. Crothall*, 2012 Del. Ch. LEXIS 64, at *44 (Mar. 5, 2012) ("To rebut the presumption of director independence, a plaintiff must allege more than that the directors 'moved in the same social circles, attended the same weddings, developed business relationships before joining the board, and described each other as "friends."'" (citations omitted)).

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Mr. Ortolf owns 60,000 shares of DISH stock, with a market value of approximately $2.75 million. He also own 12,000 shares of EchoStar stock, with a market value of approximately $500,000. The shares of DISH and EchoStar were acquired by Mr. Ortolf with cash.[5]

Mr. Brokaw will join the DISH Board on October 7, 2013. Over the years, he has served on the boards of directors of multiple companies, including Capital Business Credit LLC, Timberstar, Value Place Holdings LLC and North American Energy Partners Inc. (a NYSE-listed company), where Mr. Brokaw served on the audit committee. He is deeply experienced in investment and mergers and acquisitions matters, having most recently served as Managing Director of Highbridge Principal Strategies, LLC, until September 30, 2013. Between 2005 and 2012, Mr. Brokaw was a Managing Partner and Head of Private Equity at Perry Capital, L.L.C. Prior to joining Perry Capital, in 2005 Mr. Brokaw was Managing Director (Mergers & Acquisitions) of Lazard Frères & Co. LLC. Mr. Brokaw has had no prior relationship with DISH, EchoStar or any other entity related to Ergen. Mr. Brokaw's mother-in-law is friends from childhood with Cantey Ergen. Due to this relationship and because Mr. Brokaw's in-laws now live outside the United States, in Australia, at the request of Mr. Brokaw's wife, Ms. Ergen was made godmother to Mr. Brokaw's son. Mr. Brokaw has seen one or both of the Ergens once or twice a year. From time to time, Mr. Ergen has solicited Mr. Brokaw's professional views on some matters, without compensation. In 2003, Mr. Brokaw, as an investment banker for Lazard Frères & Co. LLC, on behalf of SBC, acted adversely to Mr. Ergen, on behalf of EchoStar, in negotiating the unwinding of an agreement between SBC and EchoStar.

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[5] DISH did not exclude Mr. Ortolf from participation on the STC due to concerns about his independence from Mr. Ergen. Rather, Mr. Ortolf recused himself from participation on the Special Transaction Committee because, at the time, Mr. Ortolf was a member of the board of directors of EchoStar, and EchoStar had a potential interest in bidding on the LightSquared assets. EchoStar later determined that it was not interested in submitting a bid, and the DISH/EchoStar conflict that existed at the formation of the Special Transaction Committee ceased.

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C. Counsel for the SLC

YCST has extensive experience advising corporations and their committees on wide variety of issues relating to corporate governance, and, more particularly, in advising special litigation committees. In addition, YCST has substantial expertise in the reorganization of public companies under Chapter 11 of the U.S. Bankruptcy Code. YCST represented DISH and/or EchoStar in four matters, all closed, between 2001 and 2011. The fees earned in connection with those representations totaled less than $70,000 and did not constitute a material portion of YCST's earnings in any year. YCST currently represents an affiliate of DISH and EchoStar, NagraStar LLC, in a small matter that remains open pending a ruling on YCST's client's motion for a default judgment of approximately $10,000. The motion has been *sub judice* since February 2013. The fees earned to date in connection with this matter have been paid by NagraStar and are immaterial to YCST, totaling approximately $2,200. YCST does not anticipate that any additional fees that may be earned in the matter will be material to the firm. Acting as Delaware counsel in the matter, YCST has not had contact with any members of DISH, EchoStar or NagraStar. It has had contact only with corresponding counsel, Hagan Noll & Boyle LLC.

The SLC has also retained the Nevada law firm Holland & Hart LLP to assist in this matter. Holland & Hart, in particular, Mr. J. Stephen Peek, is experienced in shareholder derivative matters in Nevada. Holland & Hart has performed legal services to DISH or related parties in only two matters, which have been closed. Fees earned were less than $10,000.

D. Responsibilities of the SLC

The SLC is to make its decisions in the best interest of DISH. *See* NRS 78.138(1); *cf. Spiegel v. Buntrock*, 571 A.2d 767, 770 (Del. 1990) (a board's decision whether to pursue claims on the company's behalf in response to a demand is subject to the business judgment rule). The SLC should not confine its considerations to the merits of the claims asserted in the Complaint, but should consider any factor it deems relevant to the best interests of DISH. *See* NRS § 78.138(4); *cf. Levine v. Smith*, 591 A.2d 194, 200 (Del. 1991) ("'The decision to bring a law suit or to refrain from litigating a claim on behalf of a corporation is a decision concerning

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the management of the corporation.'") (quoting *Spiegel*, 571 A.2d at 773); *Rales v. Blasband*, 634 A.2d 927, 935 (Del. 1994) (noting with approval board's consideration of cost of litigation).

E. The SLC's Initial Steps

The SLC has worked expeditiously to determine whether the derivative plaintiff's motions to expedite discovery and to schedule a preliminary injunction hearing and motion for preliminary injunction would serve the best interests of DISH. The SLC and its counsel have reviewed numerous documents. Such documents have included, among others, the papers supporting the derivative plaintiff's motion to expedite discovery and schedule a preliminary injunction hearing, the derivative plaintiff's motion for preliminary injunction and other papers filed by the parties in this litigation, as well as the transcript of the Court's September 19, 2013 hearing of the motion for expedited discovery. They have also included the adversary proceeding complaint filed by Harbinger in the Bankruptcy Court, the plans filed in the bankruptcy by the competing bidders, and other papers filed in the Bankruptcy Court that are relevant to the claims of the Complaint. Finally, they have included various transcripts of hearings before the Bankruptcy Court. The SLC's counsel attended, telephonically, last Monday's hearing before the Bankruptcy Court, in which the Court heard arguments pertaining to the entry of the bidding procedures order. The SLC's counsel has reviewed the bidding procedures order.

Thus far, the SLC, through counsel, has spoken with counsel for the primary parties in the litigation before the Court, including counsel for the derivative plaintiff, in an effort to obtain information not apparent in the Court filings relevant to the pending motions. The SLC has received advice of counsel concerning its duties, the law applicable to the derivative plaintiff's motions and relevant principles of corporate governance and bankruptcy law. Generally, the SLC has met daily by telephone to exchange information with counsel, deliberate and decide on an appropriate course of action. Finally, the SLC has reviewed preliminary drafts of this Status Report, commented on the drafts and approved the contents of the final Status Report.

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II. The SLC's Position and Recommendation to the Court on Plaintiff's Motion for Expedited Discovery and a Preliminary Injunction Hearing

The SLC has evaluated whether the requested injunction would serve the best interest of DISH. The SLC believes that it would not. For the reasons set forth below, the SLC believes that the requested injunction and expedited discovery in pursuit of such an injunction are unwarranted and also would be harmful to DISH.

A. The Requested Injunction Is Unwarranted.

The SLC has examined the remedies requested in Count I of the Complaint. The derivative plaintiff seeks an injunction that would remove Ergen and substantially the rest of DISH's existing Board – seven of eight directors – from participating in decisions concerning DISH's efforts to acquire the LightSquared spectrum. (PI Motion at 7 ("Ergen and the members of DISH's board of directors … who are beholden to Ergen . . . must be enjoined from influencing DISH's ongoing efforts to acquire LightSquared"); Compl. ¶ 95 ("Other than director Goodbarn, the remaining seven directors on the DISH Board are either interested (Charles and Cantey Ergen), or controlled by someone who is interested (Clayton, DeFranco, Moskowitz, Ortolf, and Vogel), in the subject transaction.")) According to the derivative plaintiff, such relief is necessary for two reasons: (1) "Ergen's personal economic interests diverge from DISH's interests, making his control over DISH's bidding inherently improper" and (2) "Ergen's entanglement with DISH's bidding efforts currently exposes DISH to . . . remedies that could impair DISH's effort to acquire LightSquared's spectrum." (PI Motion 7-8) The SLC has determined that neither reason is correct, as detailed below.

1. Ergen's Personal Interest Is Now Aligned with DISH.

For the reason described below, and as the factual allegations of the Complaint, to which the parties apparently agree, make clear, Ergen's personal interest is now aligned with DISH. At the time that Ergen acquired, at a discount, secured debt of LightSquared, through SP Special Operations, LLC, his personal interest in maximizing his recovery on the LightSquared debt may potentially have diverged from DISH's interest in acquiring LightSquared at the lowest price. This was so because Ergen may then have had an interest in

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seeing DISH pay money more for LightSquared so that there would be more money to distribute in the bankruptcy to the holders of the secured debt, including Ergen.[6]

However, any such diverging interest had ceased at least by the time that LBAC submitted its $2.2 billion bid for LightSquared as the "stalking horse" bidder. If LightSquared is sold for $2.2 billion or, pursuant to the auction, at some higher level, the amounts that will be distributed in the bankruptcy will pay the secured debt in full, at par plus substantially all accrued interest.[7] All of the bankruptcy plans involving the entities at issue that have been submitted provide for the payment of the secured debt and some payment to the more junior claimants. As the Complaint alleges as to Ergen's prior $2 billion bid, even that lower bid "effectively ensured that Ergen would be made whole on his LightSquared debt holdings." (Compl. ¶ 66)

For this reason, even if Ergen were to control decisions by DISH in the bidding process, he could not increase the value of his interest in LightSquared's secured debt. No further decision by DISH in the bidding process could increase that value because the value could never exceed its existing value at par plus substantially all accrued interest. At this time, therefore, Ergen therefore no longer has any material personal interest in DISH's decisions that diverges from those of DISH's remaining stockholders.

In fact, as the owner of 52% of DISH's equity (Compl. ¶¶ 6, 28), his interests are well aligned with DISH and its other stockholders. It therefore is not improper for Ergen or any director that allegedly lacks independence from him to participate in DISH's efforts to acquire LightSquared. *See In re CompuCom Sys., Inc.*, 2005 Del. Ch. LEXIS 145, at *22 (Sept. 29,

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[6] There appears to be no dispute between the parties that, to address this potential conflict, the DISH Board established a Special Transaction Committee to make recommendations to the DISH Board concerning DISH's efforts to acquire LightSquared.

[7] Under the bankruptcy plan of the ad hoc committee of secured lenders, to preserve their vote on their own proposed plan, the amount that would be distributed on the secured debt would be consensually reduced by 0.8%. The amount is *de minimus* and no decision of the DISH board could eliminate this reduction.

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2005) ("[A]s the owner of a majority share, the controlling shareholder's interest in maximizing value is directly aligned with that of the minority.").

Due to the alignment of Ergen's interests with DISH's interests, the Special Transaction Committee is no longer needed. If Ergen or any of the director defendants breached fiduciary duties in connection with the Special Transaction Committee, such breach can no longer be remedied by injunctive relief. The SLC has not had sufficient time to investigate the circumstances of the discontinuance of the Special Transaction Committee. The SLC will be investigating those circumstances in the coming weeks and months because they may be relevant to the derivative plaintiff's claims for money damages.

Given that LBAC has now been approved as a Qualified Bidder, Ergen's interests are likely to remain aligned with DISH throughout DISH's efforts to acquire LightSquared in bankruptcy. If the bankruptcy proposed by the creditors is approved, LightSquared will be sold to DISH or a higher bidder. If Harbinger's plan is approved, the LightSquared spectrum simply will not be sold. Nonetheless, during the course of its investigation, the SLC will be alert to any future divergence in the interests of Ergen and DISH in DISH's efforts to acquire LightSquared. If such a divergence occurs or the SLC otherwise becomes concerned that the Board is not acting in DISH's best interest, the SLC will request appropriate remedial action and, if it is not forthcoming, promptly seek relief from this Court.

2. Ergen's Participation Does Not Threaten to Impair DISH's Efforts to Acquire LightSquared.

The Complaint alleges that Ergen's participation for DISH raises three risks to DISH's efforts to acquire LightSquared. After considering this issue, the SLC reports that the alleged risks are either non-existent or immaterial.

First, the Complaint alleges that Ergen's participation "could lead to the rejection of DISH's designee (LBAC) as a stalking horse purchaser." (Compl. ¶ 84) However, on Monday, October 1, 2013, the Bankruptcy Court approved LBAC as the stalking horse bidder. A copy of this order is attached as **Exhibit "E."** DISH, through LBAC, has therefore been

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cleared to participate in the auction on favorable terms. The bid procedures order entered by the Bankruptcy Court deems LBAC a Qualified Bidder. It also provides LBAC a "break up" fee of $51.8 million, plus up to $2 million in expense reimbursement, if an alternative transaction is consummated, subject to certain exceptions. (*See In re LightSquared Inc., et al.*, Case No. 12-12080 (SCC) Docket No. 880 at ¶ 2; *Id.* Docket No. 892 at ¶ B) Significantly, LBAC will be entitled to the "break up" fee, even if the reason for which the transaction is not consummated is that the Bankruptcy Court does not approve a bankruptcy plan that provides for the sale of LightSquared, but rather approves Harbinger's bankruptcy plan, which does not provide for the sale of LightSquared.

The Bankruptcy Court established LBAC as the stalking horse bidder, with full knowledge of Harbinger's claims concerning Ergen's acquisition of the LightSquared secured debt and the relationship between Ergen and DISH. (*In re LightSquared Inc., et al.*, Case No. 12-12080 (SCC) Docket No. 892 § d (LightSquared Bid Procedures); *Id.* Sept. 24, 2013, Hearing Trans. at 50:22-23 (noting that the Bankruptcy Court is aware of the relationship between Ergen and LBAC); *Harbinger Capital Partners, et al. v. Charles W. Ergen, et al.* Adv. Proc. No. 12-12080, Bankr. S.D.N.Y. Aug. 8, 2013, Status Conf. Trans. (Court indicates having reviewed Harbinger complaint and significant discussion of adversary proceeding/case scheduling takes place)) During the hearing on the bid procedures order, neither Harbinger nor any other party raised the notion that LBAC could not be a good faith purchaser or otherwise even attempted to preclude LBAC from participating in the auction.

Second, the Complaint alleges that Harbinger's adversary proceeding presents a risk to DISH's efforts to acquire LightSquared. (Compl. ¶ 3) Specifically, it alleges that the Harbinger complaint seeks a "bankruptcy designation that DISH is not a good faith bidder." (*Id.*) The SLC reports that the adversary complaint itself makes clear that it seeks no such relief. The complaint seeks the disallowance of Ergen's secured debt of LightSquared, which would benefit Harbinger as the owner of LightSquared's equity by eliminating a portion of the senior debt that must be paid first, under any of the competing bankruptcy plans. (*Harbinger Capital Partners, et al. v. Charles W. Ergen, et al.* Adv. Proc. No. 12-12080, Bankr. S.D.N.Y.

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Docket No. 43 at ¶¶ 91-96) (Harbinger Amend. Compl.). To the extent that claims are asserted against DISH, the complaint seeks damages. There is no claim for declaratory or injunctive relief against DISH. The Harbinger adversary proceeding does not seek any direct relief that might interfere with DISH's efforts to acquire LightSquared.

Finally, the Complaint refers to Harbinger's assertion that LBAC is not a good faith purchaser, which Harbinger has made in its disclosure statement submitted in support of its effort to have the Bankruptcy Court approve its proposed bankruptcy plan, which does not permit a sale to LBAC or any other bidder. (Compl. ¶ 84) (*In re LightSquared Inc., et al.*, Case No. 12-12080 (SCC) Docket No. 882 at 20-21 (Harbinger Disclosure Statement)) Relevant excerpts from the Harbinger Disclosure Statement are attached hereto as **Exhibit "F."**[8] The Complaint alleges that Harbinger's assertion may cause the Court to approve Harbinger's plan and prevent LBAC or any other bidder from acquiring LightSquared. However, if LBAC is not the winning bidder in the auction, Harbinger's position that LBAC is not a good faith bidder will be moot. If LBAC is the winning bidder, the SLC believes that there is not a material risk that the Bankruptcy Court would effectively reject LBAC's winning bid and approve the Harbinger plan, on the ground that LBAC was not a good faith bidder. To do so on that ground, the Bankruptcy Court would have to forgo alternative plans that the Bankruptcy Court believes provide greater value to LightSquared and its secured creditors, and subject LightSquared and its stakeholders to the $51.8 million "break up" fee, which it approved while knowing of Harbinger's arguments about Mr. Ergen's conduct and his relationship to DISH/LBAC.[9]

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[8] This document is attached in excerpted form due to its size.

[9] On December 10, when the Bankruptcy Court determines which of the competing plans to approve, the Bankruptcy Court's primary focus should be on approving the plan that delivers the most value to LightSquared's creditors. *See Bank of Am. Nat'l Trust & Sav. Ass'n v. 203 N. Lasalle St. P'ship*, 526 U.S. 434, 453 (U.S. 1999) (highlighting that "the two recognized policies underlying Chapter 11 [are] of preserving going concerns and maximizing property available to satisfy creditors."); *see also In re Enron Corp.*, 2004 Bankr. LEXIS 2549 (Bankr. S.D.N.Y. July 15, 2004) (holding that "[t]he purpose of [a plan of reorganization] is appropriate and value-maximizing" while also holding that wasting estate assets was "contrary to the goal of maximizing Creditors' recoveries."); *In re Jackson*, 434 B.R. 159, 167 (Bankr. S.D.N.Y.

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If the Bankruptcy Court ever develops a concern about Ergen's acquisition of the secured debt of LightSquared, while controlling DISH,[10] the most direct remedy would be to simply disallow Ergen's secured debt, the remedy that Harbinger is already seeking in its adversary proceeding,[11] disqualify the secured debt's vote on the bankruptcy plans or otherwise affect the debt.[12] The SLC believes that it is extremely unlikely that the Bankruptcy Court would penalize LightSquared and its creditors, by denying them the value of a plan that provides them with greater value, including a winning LBAC bid, and subjecting them to the "break up" fee, particularly when it has available the alternative remedy of disallowing or otherwise affecting Ergen's secured debt, which would harm only Ergen.[13]

B. The Requested Injunction and Discovery Would Likely Harm DISH and Its Stockholders.

The SLC believes that the requested injunction would damage DISH's ability to acquire LightSquared in at least three ways.

2010) (denying a motion to reopen a chapter 11 case because it would violate "the central tenet of the Bankruptcy Code of maximizing distributions to creditors.").

[10] Harbinger's position that DISH is not a good faith bidder is predicated upon the notions that Ergen's acquisition of the debt was not in good faith and/or that Ergen's acquisition of the secured debt of LightSquared was made on behalf of DISH or a DISH subsidiary, neither of which are Eligible Assignees of the debt under the governing credit agreement. (*In re LightSquared Inc., et al.*, Case No. 12-12080 (SCC) Docket No. 822, at 20-21) (Harbinger Disclosure Stmt.).

[11] *See* Adversary Proceeding Docket No. 43, Prayers for Relief (Harbinger Amend. Compl.).

[12] *See, e.g., In re Triangle Transportation*, 419 B.R. 603, 613 (Bankr. D.N.J. 2009) (holding that purchaser's conduct did not disqualify it as an entity that could purchase the assets of the debtor in good faith, because a pending adversary proceeding involving the same conduct was the vehicle with which to deal with any proven offenses).

[13] In all events, to obtain rejection of LBAC's bid on the ground that LBAC is not a good faith purchaser, Harbinger would need to satisfy an exceptionally high burden. It would need to establish that DISH engaged in "fraudulent, collusive actions specifically intended to affect the sale process or control the outcome of the sale." *Licensing by Paolo v. Sinatra (In re Gucci)*, 126 F.3d 380, 390 (2d Cir. 1997) (emphasis added). Even illegal past conduct by a purchaser, if it has "no adverse impact on the sale price or bidding process[,] does not vitiate good faith purchaser status." *Sabatini Frozen Foods, LLC v. Jones*, 2013 U.S. Dist. LEXIS 47624, at *15 (E.D.N.Y. Mar. 29, 2013).

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1. The Requested Injunction Would Relegate Decisions to a Single Experienced Director.

The requested injunction would remove seven of the existing eight directors from participating in decisions concerning the acquisition of LightSquared, leaving DISH with only a single experienced director, Goodbarn, and a brand new director, Brokaw, to make complex decisions concerning what all parties agree is a critical transaction for DISH. No public company would consider it in the best interests of its shareholders to relegate important decisions concerning the amount and timing of billion dollar bids to a single experienced director. This is indeed one of the principal reasons why large public companies generally include multiple directors on their boards. Daniel P. Forbes & Frances J. Milliken, *Cognition and Corporate Governance: Understanding Boards of Directors as Strategic Decision-Making Groups*, 24 Acad. Mgmt. Rev. 489, 490 (1999) ("The very existence of the board as an institution is rooted in the wise belief that the effective oversight of an organization exceeds the capabilities of any individual and that collective knowledge and deliberation are better suited to this task."); Model Bus. Corp. Act Ann. 8.20 cmt. (1984 & Supp.) ("The underlying theory is that the consultation and exchange of views is an integral part of the functioning of the board."); Stephen M. Bainbridge, *Why a Board? Group Decisionmaking in Corporate Governance*, 55 Vand. L. Rev. 1, 12 (2002) ("In sum, groups appear to outperform their average member consistently, even at relatively complex tasks requiring exercise of evaluative judgment. . . . Corporate law's strong emphasis on collective decisionmaking by the board thus seems to have a compelling efficiency rationale."). *See also Gesoff v. IIC Indus.*, 902 A.2d 1130, 1146 (Del. Ch. 2006) (reviewing decisions of a single-member special committee under heightened scrutiny, explaining that "The court necessarily places more trust in a multiple-member committee than in a committee where a single member works free of the oversight provided by at least one colleague.").

For DISH, the harm is particularly clear. The requested injunction – that seven of eight directors be precluded from "influencing" DISH's efforts – would deprive DISH of the substantial expertise and experience in this sector of nearly the entire board, many of whom

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have been members of management and are world class experts in evaluating spectrum. For example, as DISH's founder and Executive Chairman, Ergen has more than 30 years of experience with DISH. Over the years, Ergen has developed deep knowledge about spectrum, including the LightSquared spectrum, and how different portions of spectrum may function together. Having participated in numerous acquisitions by DISH, and experienced their consequences for DISH, he has a thorough understanding of the value of the LightSquared spectrum and is deeply experienced in mergers and acquisitions transactions. The SLC believes that preventing Ergen and the remaining directors other than Goodbarn from participating as full board members, able to deliberate and passionately argue their differing viewpoints, with collective responsibility for any decisions made, substantially increases the risk that DISH will overbid, underbid or mistime its bids in the auction of LightSquared. This would impair DISH's ability to acquire LightSquared and defeat the very purpose for which the injunction is ostensibly sought.

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2. Expedited Discovery and Injunction Proceedings Would Distract DISH.

Responding to expedited discovery and preparing for the requested evidentiary hearing on the motion for preliminary injunction would consume valuable time of the defendant directors, management and counsel. Since this time might otherwise be invested in the efforts to acquire LightSquared, the requested discovery and preliminary injunction would interfere with DISH's ability to properly prepare for and participate in the auction of LightSquared. Even if the derivative plaintiff limits the requested discovery, the matters raised by its injunction motion are complex, the discovery burden would still be substantial and many of the directors, DISH's management and outside bankruptcy counsel would be needed to help prepare DISH's defense and possibly to testify.[14] The requested injunction hearing and

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[14] *Cf. Rosenblum v. Sharer*, 2008 U.S. Dist. LEXIS 65353, at *25 (C.D. Cal. July 28, 2008) (granting motion to stay and stating: "[I]t seems sensible for [the company] and its stockholders that [the company's] resources be devoted for some time to the federal securities action").

expedited discovery would again undermine the very purpose for which the injunction is ostensibly sought.

3. Expedited Discovery and Injunction Proceedings Would Undermine DISH's Defense of the Harbinger Claims.

To pursue the injunctive relief, the movant would be required to make arguments that would be damaging to DISH's defense of Harbinger's adversary proceeding, which seeks $2 billion from DISH. (Adversary Proceeding Docket No. 1, Prayers for Relief C and D) (Harbinger Amend. Compl.) The motion for preliminary injunction is predicated in substantial part upon the notion that, in the absence of injunctive relief, Harbinger's position in the bankruptcy proceedings presents a risk to DISH's efforts to acquire LightSquared. (PI Motion at 27 ("[T]here is a real risk that the bankruptcy court will . . . grant the relief requested by Harbinger.")) To establish that there is such a risk, the movant will necessarily need to demonstrate that Harbinger's claims may have merit. If they are meritless, there would be no risk and no need for injunctive relief. Indeed, to demonstrate that, in the absence of injunctive relief, Harbinger's position threatens DISH's ability to acquire LightSquared, the Complaint quotes extensively from the Harbinger complaint (*see, e.g.*, Compl. ¶¶ 15, 76, 77, 80) and goes so far as to allege that the conduct of DISH and Ergen at the present time is "similar" to DISH's conduct in the DBSD case, in which DISH was found to have acted in bad faith in acquiring debt of a debtor in bankruptcy. (Compl. ¶¶ 51, 81 & 82) This is substantially the same argument made by Harbinger. (Adversary Proceeding Docket No. 43 at ¶¶ 83-84) (Harbinger Amend. Compl.) In seeking to obtain a preliminary injunction, the movant would have to prove or come close to proving a central aspect of Harbinger's claims, thereby increasing the possibility of a $2 billion damages award against DISH. This is clearly not in DISH's best interest.

Under similar circumstances, the courts have stayed derivative proceedings to avoid undermining the corporation's defense in other litigation. *See, e.g., In re Ormat Techs., Inc. Deriv. Litig.*, 2011 U.S. Dist. LEXIS 96891, at *12-13 (D. Nev. Aug. 29, 2011) (staying derivative suit pending resolution of a securities class action in light of "the duplicative nature

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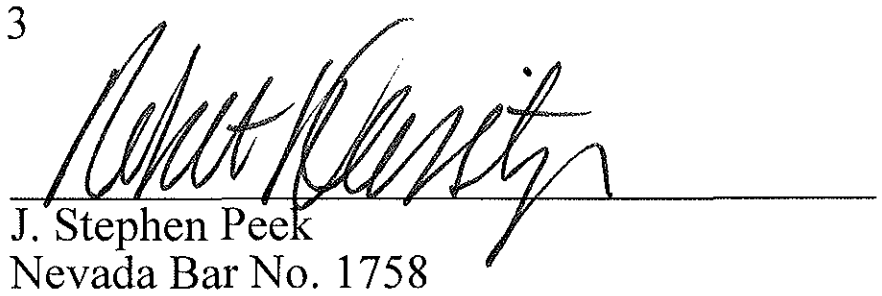
of the two actions, and the potential harm to Ormat, the party on whose behalf this derivative suit has been brought" because "[p]rosecution of this action will 'conflict with [Ormat's] defense of the pending class action'").[15]

DATED this 3rd day of October, 2013



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Attorneys for the Special Litigation Committee of Dish Network Corporation

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[15] *See also Pfeiffer v. Toll*, 989 A.2d 683, 690 (Del. Ch. 2010) ("If the Company pressed forward with its rights of action against the defendants in this [derivative action], then the Company's efforts would undercut or even compromise the defense of the federal securities action."); *Breault v. Folino*, 2002 U.S. Dist. LEXIS 25587, at *5 (C.D. Cal. Mar. 18, 2002) ("Plaintiffs will need to undermine Defendants' credibility to pursue [a derivative] action.") (applying Delaware corporate law).

CERTIFICATE OF SERVICE

Pursuant to Nev. R. Civ. P. 5(b),I hereby certify that on the 3rd day of October, 2013, I served a true and correct copy of the foregoing **STATUS REPORT** by depositing same in the United States mail, first class postage fully prepaid to the persons and addresses listed below:

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William N. Miller, Esq.
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Exhibit A

DISH NETWORK CORPORATION

CERTIFICATE OF THE ASSISTANT SECRETARY

The undersigned, being the Assistant Secretary of DISH Network Corporation (the "Corporation"), a Nevada Corporation, hereby certifies that:

> Attached hereto as Exhibit A is a true and correct copy of resolutions duly adopted by the board of directors of the Corporation (the "Board of Directors") at the Special Meeting of the Board of Directors held on September 18, 2013.

IN WITNESS WHEREOF, I have hereunto signed my name effective as of the 3rd day of October, 2013.

Brandon Ehrhart
Vice President, Associate General
Counsel and Assistant Secretary

Exhibit A

Formation of the Special Litigation Committee

WHEREAS, the board of directors (the "Board of Directors") of DISH Network Corporation (the "Corporation") believes it is in the best interests of the Corporation to establish a special committee of the Board of Directors (the "Special Litigation Committee"), consisting of Messrs. Tom A. Ortolf and George R. Brokaw (each a "Committee Member" and collectively the "Committee Members"), pursuant to NRS 78.125 (the "Nevada Statute") and the applicable provisions of the Bylaws of the Corporation, for the purposes set forth herein; and

WHEREAS, the Board of Directors has determined that the Committee Members are independent of the claims asserted in the shareholder derivative action filed by the Jacksonville Police and Fire Pension Fund in the District Court, Clark County, Nevada (together with any amendments, revisions or other pleadings related thereto or generated thereby) and any similar shareholder derivative actions that may be filed from time to time (collectively, the "Derivative Litigation");

NOW, THEREFORE, BE IT RESOLVED, that in light of the foregoing, the Board of Directors has determined, in the good faith exercise of its reasonable business judgment, that it is advisable and in the best interests of the Corporation and its stockholders to establish the Special Litigation Committee to accomplish the purposes and to carry out the intent of the resolutions herein; and further

RESOLVED, that the Special Litigation Committee be, and it hereby is, established, in accordance with the Nevada Statute and the applicable provisions of the Bylaws of the Corporation with all the powers and authority of the Board of Directors to accomplish the purposes and to carry out the intent of the resolutions herein; and further

RESOLVED, that the Board of Directors has determined that each of Tom A. Ortolf and George R. Brokaw are independent of the claims asserted in the Derivative Litigation and neither of them has, or is subject to, any interest that, in the opinion of the Board of Directors, would interfere with the exercise by him of his independent judgment as a member of the Special Litigation Committee and that, each of them be, and they hereby are, appointed as the Committee Members to hold such office for so long as is necessary to carry out the functions and exercise the powers expressly granted to the Special Litigation Committee as shall be authorized in the resolutions herein; and further

RESOLVED, that the Board of Directors hereby delegates to the Special Litigation Committee the power and authority of the Board of Directors

to: (1) review, investigate and evaluate the claims asserted in the Derivative Litigation; (2) file any and all pleadings and other papers on behalf of the Corporation which the Special Litigation Committee finds necessary or advisable in connection therewith; (3) determine whether it is in the best interests of the Corporation and/or to what extent it is advisable for the Corporation to pursue any or all of the claims asserted in the Derivative Litigation taking into consideration all relevant factors as determined by the Special Litigation Committee; (4) prosecute or dismiss on behalf of the Corporation any claims asserted in the Derivative Litigation; and (5) direct the Corporation to formulate and file any and all pleadings and other papers on behalf of the Corporation which the Special Litigation Committee finds necessary or advisable in connection therewith, including, without limitation, the filing of other litigation and counterclaims or cross complaints, or motions to dismiss or stay the proceedings if the Special Litigation Committee determines that such action is advisable and in the best interests of the Corporation; and further

RESOLVED, that, in furtherance of its duties as delegated by the Board of Directors, the Special Litigation Committee is hereby authorized and empowered to retain and consult with such advisors, consultants and agents, including, without limitation, legal counsel and other experts or consultants, as the Special Litigation Committee deems necessary or advisable to perform such services, reach conclusions or otherwise advise and assist the Special Litigation Committee in connection with carrying out its duties as set forth in the resolutions herein; and further

RESOLVED, in connection with carrying out its duties as set forth in the resolutions herein, the Special Litigation Committee is hereby authorized and empowered to enter into such contracts providing for the retention, compensation, reimbursement of expenses and indemnification of such legal counsel, accountants and other experts or consultants as the Special Litigation Committee deems necessary or advisable, and that the Corporation is hereby authorized and directed to pay, on behalf of the Special Litigation Committee, all fees, expenses and disbursements of such legal counsel, experts and consultants on presentation of statements approved by the Special Litigation Committee, and that the Corporation shall pay all such fees, expenses and disbursements and shall honor all other obligations of the Corporation and/or the Special Litigation Committee under such contracts; and further

RESOLVED, that, in connection with carrying out its duties as set forth in the resolutions herein: (1) the officers of the Corporation are hereby authorized and directed to provide to the Special Litigation Committee, each Committee Member and any of their advisers, agents, counsel and designees, such information and materials, including, without limitation, the books and records of the Corporation and any documents, reports or

studies pertaining to the Derivative Litigation as may be useful or helpful in the discharge of the Special Litigation Committee's duties or as may be determined by the Special Litigation Committee, or any member thereof, to be appropriate or advisable in connection with the discharge of the duties of the Special Litigation Committee; (2) the Special Litigation Committee is authorized and empowered to meet with both present and past members of the Board of Directors who are not members of the Special Litigation Committee or with the officers of the Corporation to solicit the views of such directors and/or officers pertaining to the Derivative Litigation as may be useful or helpful in the discharge of the Special Litigation Committee's duties or as may be determined by the Special Litigation Committee, or any member thereof, to be appropriate or advisable in connection with the discharge of the duties of the Special Litigation Committee; (3) the Special Litigation Committee may but shall not be required to make such reports to the Board of Directors with respect to its deliberations and recommendations at such times and in such manner as it considers appropriate and consistent with carrying out its duties as set forth in the resolutions herein; and (4) to the fullest extent consistent with law, the deliberations and records of the Special Litigation Committee shall be confidential and maintained as such by each Committee Member and any legal counsel, experts and consultants engaged by the Special Litigation Committee and, without limiting the generality of the foregoing, all statutory and common law privileges shall be available with respect to legal advice rendered to, and documents prepared by counsel to assist, the Special Litigation Committee in its deliberations; and further

RESOLVED, that the Corporation shall indemnify each Committee Member in the manner and to the extent set forth under the current practices of the Corporation under the Articles of Incorporation of the Corporation in effect as of the date of this meeting (the "Current Articles") and under the Bylaws of the Corporation in effect as of the date of this meeting (the "Current Bylaws") regarding indemnification and advancement of expenses to the members of the Board of Directors against permitted items (as set forth in the Current Articles and Current Bylaws) arising out of the fact that the Committee Member is a member of the Special Litigation Committee, regardless of whether the Current Articles and the Current Bylaws are amended or modified in the future; with the sole exception that the advancement of expenses (including, without limitation, attorney's fees) incurred in defending against any such permitted items shall be determined in the sole discretion of the chairman of the Audit Committee of the Board of Directors (the "Audit Committee") if not a member of the Special Litigation Committee (or the next most senior member of the Audit Committee who is not a member of the Special Litigation Committee if the chairman of the Audit Committee is a member of the Special Litigation Committee (or the Chief Financial Officer of the Corporation if all members of the Audit Committee are

members of the Special Litigation Committee)), but otherwise subject to the terms and conditions applicable under the Current Articles and Current Bylaws, including, without limitation, that subject to an undertaking by or on behalf of the Committee Member to repay such amount if it shall ultimately be determined by a final order of a court of competent jurisdiction that he is not entitled to be indemnified by the Corporation for such permitted items; and further

RESOLVED, that, as of the date of this meeting, Mr. Brokaw be, and hereby is, designated as a Beneficiary (as defined in the D&O Trust (as defined below)) under the terms and conditions of that certain 2004 Indemnification Trust entered into by and between the Corporation and U.S. Bank National Association as of November 22, 2004 (the "D&O Trust"), with all of the rights, duties and obligations of a Beneficiary as set forth in the D&O Trust; and further

RESOLVED, that for their services on the Special Litigation Committee, each Committee Member shall be entitled to receive compensation as set forth on Schedule A (at the times specified therein), together, during the pendency of their service on the Special Litigation Committee, with prompt reimbursement of expenses reasonably incurred in connection with their services on the Special Litigation Committee; and further

General Enabling Resolutions

RESOLVED, that the proper officers be, and each one of them acting alone or with one or more other proper officers hereby is, authorized, empowered and directed, in the name and on behalf of the Corporation and its subsidiaries and under their corporate seals or otherwise, from time to time, to make, execute and deliver, or cause to be made, executed and delivered, all such other and further agreements, certificates, instruments or documents, to pay or reimburse all such filing fees and other costs and expenses, and to do and perform or cause to be done or performed all such acts and things, as in their discretion or in the discretion of any of them may be necessary or desirable to enable the Corporation and its subsidiaries to accomplish the purposes and to carry out the intent or the foregoing resolutions; and further

RESOLVED, that any and all actions previously taken by any of the proper officers of the Corporation and its subsidiaries within the terms of the foregoing resolutions be, and the same hereby are, ratified and confirmed in all respects.

Schedule "A"

Special Litigation Committee Compensation

Each Committee Member will be compensated $5,000 per month while serving on the Special Litigation Committee; provided that, the Board of Directors shall review the amount of such compensation following the date that is five (5) months after the date of this meeting.

Exhibit B

BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP
ATTORNEYS AT LAW
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September 23, 2013

BY EMAIL

Special Litigation Committee of Dish Network Corporation
c/o Messrs. George R. Brokaw and Tom A. Ortolf

Re: *Jacksonville Police and Fire Pension Fund on behalf of Dish Network Corporation v. Charles W. Ergen, et al.*

Dear Messrs. Brokaw and Ortolf:

We represent the Jacksonville Police and Fire Pension Fund ("Jacksonville P&F") in the above-referenced derivative action on behalf of Dish Network Corporation ("Dish" or the "Company"). Late in the evening of September 18, 2013, we learned that the Dish board of directors (the "Board") created a special litigation committee (the "SLC") to assess the claims asserted in Jacksonville P&F's Verified Amended Shareholder Derivative Complaint (the "Complaint"), a copy of which is enclosed as Exhibit 1. During the September 19, 2013 hearing before the Hon. Elizabeth Gonzalez, counsel working for controlling shareholder Charles Ergen and Board members loyal to Mr. Ergen represented that although the SLC's founding resolution was not complete, it will have broad authority to investigate the claims in the Complaint and take actions the SLC deems beneficial for Dish and its minority shareholders.

Noting the timing of the SLC's creation, our continuing doubt about Mr. Ortolf's independence, and defense counsel's vague statements about the SLC's charge, we expressed to the Court our concerns about placing too much reliance on the SLC's ability to adequately protect the rights of Dish and its minority shareholders without regard to Mr. Ergen's personal desires, preferences and interference. In addition, Count I of the Complaint seeks an injunction to prevent Mr. Ergen or any directors lacking independence of Mr. Ergen from controlling, influencing or interfering with Dish's efforts to acquire LightSquared's spectrum assets. We reminded the Court that in light of the timing of LightSquared's auction process, any relief on Count I must either be granted or denied within a matter of weeks, not months, and any delay by the SLC in taking prompt corrective action will *de facto* constitute a denial of Count I in its entirety. The Court instructed Jacksonville P&F to make an immediate demand on the SLC, and allowed the SLC until October 3 to provide a response. The Court made clear that our sending this demand is not a concession that a pre-suit demand was required and does not waive any of Jacksonville P&F's rights.

As per the Court's instructions, and despite Mr. Ortolf's significant ties to and dependence on Mr. Ergen, we are giving the SLC a chance to act in good faith to achieve for Dish and its minority shareholders the outcome that Jacksonville P&F will otherwise have to obtain through litigation. Thus, we send this letter to request information about the SLC and to demand that the SLC pursue – and/or support Jacksonville P&F's pursuit of – the claims in the Complaint. Below, we identify the information that should be produced immediately. Next, we provide a brief summary of the Complaint. Last, we outline Jacksonville P&F's immediate demands for SLC action (as to Count I of the Complaint) and its longer term demands.

This demand is made on the SLC only and not on the Board as a whole. For the reasons stated in the Complaint and Jacksonville P&F's motion for a preliminary injunction (enclosed as Exhibit 2), demand on the Board was and remains futile.[1] In order to protect and give any credence to the integrity of the SLC process, this letter must not be shared with Dish's controlling shareholder and chairman, defendant Charles W. Ergen ("Ergen"), Ergen's advisors (including Willkie Farr & Gallagher, Sullivan & Cromwell, their respective Nevada counsel, or any other advisor subject to Ergen's control and influence), or other Board members who are defendants in this action until the SLC has responded to the demand as per the Court's instructions.[2] Moreover, we remind you that any influence that Mr. Ergen or the other defendants have into the SLC process, including the SLC's retention of counsel, investigation, and handling of its task, casts serious doubt about the SLC's independence and effectiveness.

Finally, we note our concern that even if the SLC members would otherwise like to act independently, Mr. Ergen may simply be too much of a micromanaging controlling shareholder to properly empower and not interfere with the SLC's actions. Nevertheless, we approach this demand with an open mind and in good faith. In particular, we encourage the SLC to open a genuine and ongoing dialogue with us throughout the SLC's process. In our experience working with other special litigation committees, we have found that committees that engage with us and maximize the sharing of information and ideas tend to achieve the best possible results. We are experienced advocates for shareholder rights, and in structuring resolutions and corrections to

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[1] The Board's purported September 18, 2013 vote to create the SLC does not change the analysis for determining whether demand was futile when this action was brought. *See Fagin v. Gilmartin*, 432 F.3d 276, 284-85 (3d Cir. 2005) (district court improperly considered special litigation report on a motion to dismiss).

[2] For the avoidance of doubt, by making this demand, Plaintiff does not concede that the SLC is independent, that its charge and scope of authority is proper, or that it has otherwise been given the opportunity to effectively protect the rights of Dish and its minority shareholders. *See London v. Tyrell*, 2010 WL 877528, at *12 (Del. Ch. Mar. 11, 2010) (the special litigation committee has the burden of establishing its own independence "by a yard-stick that must be like Caesar's wife—above reproach"). In addition, as explained below, the most immediate demand made on the SLC is to reconstitute the special committee that was formed to assess Dish's bid for LightSquared's assets. While disclosures and discussions that may yet take place between the SLC and Jacksonville P&F in connection with this process may shed light on what happened and clarify Mr. Ortolf's role in the Board's prior breaches of duty, we note for present purposes that Mr. Ortolf was not placed on that special committee for a reason, and he evidently supported the patently disloyal decision to disband the special committee long before its work was done.

prior governance failures like those giving rise to the Complaint, we often supplement our own expertise with input and ideas from some of the nation's foremost corporate governance experts.

I. Request for Information

During the September 19, 2013 hearing, Dish's counsel was unable to provide specific information concerning the SLC's purpose, authority, funding and counsel. Information about these issues is critically important to ensure the SLC's ability to perform its investigation independently and in a timely manner. Please inform us, no later than September 26, 2013: (i) the scope of the SLC's authority; (ii) the basis for the SLC's purported independence; (iii) how the SLC is funded; (iv) who will act as the SLC's counsel (and its other advisors, if any); and (v) the expected timing for the SLC's work. In this regard, please provide a copy of the Board minutes or Board resolution approving the creation of the SLC as well as comprehensive disclosure regarding any relationships between the SLC's members (including any of their relatives or business affiliates), on the one hand, and Dish and/or Ergen (including other companies controlled by Ergen), on the other hand.

In addition, we do not know whether Mr. Ergen has permitted Dish to properly notify the Company's directors' and officers' insurance carriers about the claims made in the Complaint. Recognizing that we have not seen the insurance policies and that certain of the claims made against Ergen may be subject to contractual exclusions, we believe many of the claims at issue may be properly covered by insurance policies. In order to provide maximum protection to Dish's ability to obtain relief, please provide us, by September 26, written confirmation that the SLC has directly informed Dish's insurers of the SLC's creation, scope of authority, anticipated timeline, and its assertion on Dish's behalf of all available rights under the insurance policies.

II. Summary of the Complaint[3]

A. Events leading to the creation of the Special Transaction Committee

Five years ago, Ergen determined that Dish should diversify its business by acquiring wireless spectrum assets. After prior success in acquiring out of bankruptcy certain spectrum owners, Dish's attempts to acquire Sprint or Clearwire failed, and Dish continues to search for a potential takeover target owning significant spectrum.

LightSquared has developed significant spectrum assets in the L-Band. Following certain problems with the Federal Communications Commission (the "FCC"), on May 14, 2012, LightSquared filed a petition pursuant to Chapter 11 of the Bankruptcy Code in the bankruptcy court for the Southern District of New York.

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[3] This summary is for the SLC's convenience only, and does not attempt or purport to identify every material allegation or theory of the Complaint.

Ergen created SP Special Opportunities, LLC ("Sound Point")—an investment vehicle to secretly purchase LightSquared debt using Ergen's personal funds. By April 2013, Ergen had spent almost $850 million through Sound Point to purchase $1 billion of LightSquared secured debt, making Ergen LightSquared's single largest creditor in bankruptcy. Ergen did not inform the Board of his actions.

Ergen's debt purchases create numerous fiduciary problems. First, Ergen clearly misappropriated Dish's confidential strategic plans to identify and insulate his ability to personally profit on LightSquared debt. Ergen's job is setting Dish's strategy, including a potential acquisition of LigthSquared's spectrum assets. We are unaware of Ergen acting as a distressed debt investor for his personal account. The risk of buying LightSquared debt using personal wealth is a less risky proposition if the purchaser – Ergen – also controls a company that he knows is interested in and may have specific plans to buy LightSquared itself. Putting aside other fiduciary problems that his actions raise, Ergen's misuse of corporate information for personal profit is a breach of the duty of loyalty.

Second, Ergen's decision to indirectly and secretly buy LigthSquared debt even though Dish clearly wants to buy LigthSquared is itself a bad faith and disloyal act because his actions very predictably exposed Dish to the risk of serious harm. Three years ago, the same bankruptcy court overseeing the LightSquared bankruptcy found that Dish was not acting in good faith in the DBSD bankruptcy because Dish had purchased DBSD debt in an illicit effort to influence the bankruptcy proceedings so that it could obtain DBSD's spectrum rights. *In re DBSD North America, Inc.*, 421 B.R. 133, 139-40 (S.D.N.Y. Bankr. 2009). The bankruptcy court disqualified Dish's vote against a competing reorganization plan, finding that Dish improperly intended to "use [its] status as a creditor to provide advantages over proposing a plan as an outsider, or making a traditional bid for the company or its assets." *Id.* The district court and Second Circuit Court of Appeals affirmed the bankruptcy court's finding of Dish's bad faith. *See In re DBSD*, 2010 WL 1223109 (S.D.N.Y. March 24, 2010); *In re DBSD*, 627 F.3d 496 (2d Cir. 2010); *In re DBSD*, 634 F.3d 79, 104 (2d Cir. 2011) (finding that "DISH purchased the claims as votes it could use as levers to bend the bankruptcy process toward its own strategic objective of acquiring DBSD's spectrum rights, not toward protecting its claim").

Dish's recent history of being found to act in bad faith in a bankruptcy bidding process, coupled with LightSquared's effort to ensure that neither Dish nor entities working on Dish's behalf could use debt purchases to leverage a bankruptcy buyout, made it patently obvious that any debt purchases by Ergen would expose Dish to potentially catastrophic litigation. Indeed, the risk that his debt purchases would lead to problems similar to those Dish suffered in the *DBSD* case likely explains why Ergen did not inform the Board about his actions until it was too late for the Board to object to and stop those actions.

Third, and finally, to the extent that Dish was precluded from buying LightSquared debt

on its own, it is likely that Ergen was equally precluded.[4] In contrast, if Ergen was able to buy LightSquared debt despite the restrictions in LightSquared's debt agreements, then it is possible Dish would also have been able to buy the debt for its own benefit. While the bankruptcy court is going to construe the scope of LightSquared's debt agreement, any ruling that would leave room for Dish to have bought the debt means Ergen misappropriated a corporate opportunity. As set forth in the Complaint and the motion papers, we do not believe that the language of the Dish charter actually insulates Ergen's actions here.

B. The Termination of the Special Committee and Howard's Abrupt Resignation

The Board evidently learned of Ergen's debt purchases when Ergen made a personal $2 billion bid to buy LightSquared. Recognizing the absurdity of Ergen competing with Dish for assets that were strategically important to Dish, the Board formed a special transaction committee (the "STC") in May 2013 to determine how Dish should respond. Only directors Goodbarn and Howard were arguably independent enough to serve on the committee.

In July 2013, the STC (assisted by Perella Weinberg and Cadwalader Wickersham & Taft) recommended that Dish make a $2.2 billion stalking horse bid for LightSquared's spectrum assets, conditioned on: (1) the STC having an ongoing role in Dish's bid for the LightSquared assets; and (2) Dish being able to share in any profits arising from Ergen's LightSquared debt purchases. On July 21, 2013, a Sunday, the STC was suddenly disbanded, to the surprise of Messrs. Howard and Goodbarn,

On July 23, 2013, a group of LightSquared's secured creditors, including Ergen (the "Ad Hoc Secured Group"), submitted a bankruptcy plan that, if approved, will result in the sale of LightSquared's assets in a public auction, which included a "stalking horse agreement" whereby Dish bid about $2.2 billion to acquire substantially all of LightSquared's assets. The proposed stalking horse agreement contains significant deal protections favoring Dish. Two days later, on July 25, 2013, Howard abruptly resigned from the Board. Howard's resignation was so sudden and abrupt that Dish was in violation of NASDAQ listing rules.

C. Harbinger's and LightSquared's Pending Claims

On August 6, 2013, LightSquared's principal shareholder, Harbinger Capital Partners, LLC ("Harbinger"), sued both Dish and Ergen for more than $4 billion in damages based on fraud and civil conspiracy. The crux of Harbinger's claims against *Dish* is that Ergen's LightSquared debt purchases and Dish's bid are part of a fraudulent conspiracy to manipulate the

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[4] LightSquared's credit agreement (the "Credit Agreement") prohibited Dish from directly acquiring LightSquared's debt, but the ability of affiliates of Dish to do so is still subject to determination by the bankruptcy court. Harbinger has sued Ergen and Dish claiming that, among other things, Ergen and Dish are not "Eligible Assignees" (*i.e.*, authorized purchasers) of LightSquared debt under the Credit Agreement.

bankruptcy process so that Dish can obtain LightSquared's spectrum assets. LightSquared has filed a notice of intent to intervene as a plaintiff in the Harbinger action, seeking to equitably disallow Ergen's debt claims. In addition, LightSquared has submitted a proposed reorganization plan contemplating a bidding process led by LightSquared itself (not the secured lenders) in which Dish could be denied the coveted "stalking horse bidder" status.

On August 30, 2013, Harbinger filed its own reorganization plan, proposing to pay off all creditors *other than* Ergen's contested debt claims through the distribution of cash and new notes, and *without* selling LightSquared's spectrum. Harbinger's Disclosure Statement asserts a number of advantages of Harbinger's plan over the plan submitted by the Ad Hoc Secured Group (*i.e.*, Dish's $2.2 billion bid), including that "Dish, the presumptive stalking horse purchaser is not a good faith purchaser." Harbinger's claims and plan hinge on Ergen's control over Dish and pose a significant risk to Dish's ability to purchase the LightSquared spectrum assets.

D. Ergen's Continued Involvement in the Bid Confirms Harbinger's Claims and Puts Dish at Risk

The risks created by Ergen's undisclosed debt purchases have materialized, and are being exacerbated by Ergen's refusal to permit independent directors to control Dish's actions in the bidding process. The Board's refusal to isolate Ergen from influencing Dish's bid is itself an act of bad faith. Put simply, if any truly independent board learned that one of its directors was the largest creditor of the company's principal takeover target with a personal financial interest in any bid, that independent board would surely isolate the director/creditor from the company's assessment and execution of its bidding efforts. Moreover, a board's refusal to completely exclude the director/creditor from the bidding process to show that the company should not be tainted by the director's potential wrongdoing when his debt position led to a multi-billion lawsuit against the company and legal filings that would impair the company's ability to execute its takeover strategy is plainly disloyal.

Here, Ergen's undisclosed debt purchases are continuing to harm the Company. Indeed, unless Dish distances itself from Ergen's influence and shows it is not part of a fraudulent conspiracy, Dish may be found not to be a good faith purchaser and barred from acting as a stalking horse or acquiring LightSquared's spectrum altogether. The bankruptcy court may also designate the votes associated with Ergen's LightSquared debt, otherwise jeopardize Dish's status as stalking horse, or support the Harbinger plan (ruling out any sale of LightSquared spectrum). As the *DBSD* rulings show, these risks are far from speculative and, in this case, all hinge on a finding that Dish is not acting independently from Ergen's personal interests. In sum, with Ergen in control of Dish's bid, Ergen remains protected at the expense of Dish and its public shareholders.

E. COUNT I: Jacksonville P&F's Claim for Injunctive Relief

As set forth in the Complaint and explained in the motion, Ergen's actions in becoming LightSquared's largest creditor knowing Dish's interest in acquiring LightSquared, together with his refusal to give up control over Dish's bid to acquire LightSquared from bankruptcy, have resulted in harm to Dish and threaten to continue to exacerbate that harm. Further, Defendant Ergen's personal interests are not aligned with those of the Company and its public shareholders. Ergen has an incentive to protect his personal investment of almost $850 million in LightSquared debt even if doing so comes at the expense of Dish's interest in buying LightSquared's spectrum assets at the lowest possible price. In contrast, Dish and its public shareholders have an interest in achieving Dish's strategic objective of acquiring LightSquared's assets on the best terms, regardless whether the best way to do so would result in impairment of Ergen's personal claims.

In all events, the risk that Dish will suffer additional harm in the LightSquared bankruptcy proceedings is significantly greater if Ergen continues to control Dish's bid. Ergen and the rest of the Board owe a duty to allow Dish to pursue its strategic objectives without interference or influence from Ergen and to mount a stronger defense against Harbinger's claims by attacking the factual premise for Harbinger's claims: Ergen's control over Dish and Dish's $2.2 billion bid. Because Ergen and the Ergen-controlled directors refuse to give up control over Dish's actions in the LightSquared bankruptcy, they are continuing and increasing the risk that Dish will suffer billions of dollars of monetary damages and that Dish's ability to acquire LightSquared will be derailed or impaired.

Since the opportunity to acquire LightSquared in connection with the bidding process set to close on December 6, 2013 is a unique opportunity, the impairment of which is irreparable, Jacksonville P&F seeks an injunction against Ergen or any of the directors he controls from controlling, further interfering with or influencing Dish's efforts to buy LightSquared. To be frank, a reconstitution of the STC that was improperly disbanded would solve many problems.

F. COUNTS II THROUGH V: Jacksonville P&F's Claims for Money Damages

Ergen's debt purchases and influence over Dish's bidding efforts after the Board improperly terminated the STC have harmed Dish by increasing the risk that Dish will suffer monetary damages, will need to pay additional money for acquiring LightSquared or its assets (including because of Ergen's bid setting an artificial floor for LightSquared's assets), and incurs related costs defending itself from LightSquared's claims. In addition, Dish is entitled to share in any profits that Ergen realizes on debt purchases that he made based on Dish's confidential information, using Dish's bid, and without disclosing the opportunity to the Board. Accordingly, Counts II through V of the Complaint seek monetary damages from Ergen and the Ergen-controlled directors on the Board.

Specifically, Count II of the Complaint seeks an award of monetary damages from Ergen

and the Ergen-controlled Board members reflecting the additional costs Dish has already incurred and will incur in its efforts to acquire LightSquared and defending itself against Harbinger's claims.

Count III seeks compensation for any damages caused by Ergen's decision not to inform the Board of his plan to purchase LightSquared debt. When Ergen decided to purchase LightSquared debt – a business opportunity that arose because of Ergen's access to confidential Dish information and that was likely to increase the risk to the Company's ability to purchase LightSquared's assets in the bankruptcy proceedings – Ergen was obligated to inform the Board of his plans. If Ergen had informed the Board, Dish's independent directors could have determined whether Ergen's pursuit of the opportunity should be permitted or should be conditioned in any respect to protect Dish's interests. For example, the independent directors could have protected Dish's interests by conditioning Ergen's debt purchases on an agreement that Ergen would not personally bid on LightSquared assets (to set a floor) and the formation of a special transaction committee to be exclusively in charge of a Dish bid for LightSquared assets (if any). Another condition could have been an agreement by Ergen to share with Dish in the profits from any debt purchases that were realized using Dish's confidential information. Ergen's improper decision to keep the Board in the dark precluded the Board from making any determination and imposing any conditions to protect Dish's interests.

Count IV seeks disgorgement of Ergen's profits on the LightSquared debt to compensate Dish for Ergen's usurpation of a corporate opportunity. Having identified an opportunity to profit from purchasing LightSquared debt because of his work on finding strategic targets for Dish, Ergen's fiduciary duties required that he disclose his interest in exploiting this opportunity to the Board and allow the Board's independent members to decide whether it was in Dish's best interests to purchase LightSquared's debt itself. Dish's Charter also required Ergen to inform Dish of the opportunity to buy LightSquared debt.[5]

Here, seeing that Ergen was able to buy the debt through a newly-formed company which he controlled despite various contractual restrictions, the independent directors may well have found a way for Dish to indirectly purchase LightSquared's debt for the Company, thus lowering the cost to Dish of purchasing LightSquared's assets from bankruptcy and enhancing Dish's leverage in any bidding contest for LightSquared's coveted spectrum.

Count V seeks damages for Ergen's unjust enrichment. Specifically, to the extent that Ergen ultimately profits on his LightSquared debt purchases, Ergen has been unjustly enriched at

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[5] Although NRS § 78.070(8) allows Nevada corporations to renounce any interest or expectancy to participate in specified business opportunities, the statute does not excuse a director who breaches his or her duties when identifying or pursuing the opportunity, even if the corporation has otherwise renounced its interest in such opportunity. Also, neither the statute nor the charter permit Ergen to misuse confidential corporate information as a means to identify and protect his pursuit of an otherwise renounced opportunity.

Dish's expense because he identified and pursued the opportunity using confidential Dish information that he obtained in his capacity as Dish's Chairman.

III. Demands

Jacksonville P&F demands that the SLC pursue – or support Jacksonville P&F's continued pursuit of – each of the claims asserted in the Complaint. Specifically, Jacksonville P&F demands:

1. **Immediate reconstitution of the STC**.

   1.1. The SLC must reconstitute the STC and give it sole and exclusive authority to act on behalf of Dish in the LightSquared bankruptcy proceedings.

   1.2. To ensure continuity and to correct prior breaches, Steven Goodbarn must be included in the STC (assuming that he is willing to serve).

   1.3. The SLC must guarantee that the STC receive any funding that STC requests and can hire any experts and counsel that it believes appropriate (including the same financial and legal experts that advised the original STC), without input or interference from Ergen or other Board members who lack independence of Ergen.

   1.4. The SLC as currently constituted must not be permitted to undertake work that would otherwise be done by the STC. With all due respect, Mr. Ortolf's support for disbanding the STC disqualifies him from being a member of any reconstituted STC, even if Mr. Ortolf personally believes he is independent. Moreover, we have uncovered significant information showing why Mr. Ortolf would not have been a proper addition to the STC. Placing him on the STC, or allowing the SLC to do the work of the STC, simply raises the same problems that the original STC was supposed to avoid.

   1.5. The Board must agree to provide the STC with information upon request, while the STC's process and analysis will only be shared with Ergen or other Board members to the extent the STC deems such disclosure proper and in the interest of Dish.

   1.6. The STC should be asked to immediately inform the bankruptcy court deciding LightSquared's bankruptcy that Dish's bid is pursued independently from Ergen.

2. **Pursuit of money damages from Ergen and the Ergen-controlled directors**.

   2.1. Ergen's and the Board's prior disloyal acts, including Ergen's misuse of confidential corporate information to identify the opportunity to profit on LightSquared debt purchases, Ergen's purchase of the debt despite the known

likelihood that those purchases would complicate or imperil Dish's ability to effectuate its strategic plan, Ergen's decision not to inform the Board about his LightSquared debt purchases until after he had made those purchases, the premature disbandment of the STC, the refusal to isolate Ergen from the Dish bid, and the Board's decision not to demand from Ergen that Dish share in the profits of the LightSquared debt purchases, have harmed and will further harm Dish financially.

2.2. Ergen should face disgorgement for any personal profits arising from his usurpation of a corporate opportunity belonging to Dish in a manner that breached his fiduciary duties, and (even if Dish could not directly take the opportunity) to account for Ergen's unjust enrichment.

2.3. The SLC should thoroughly investigate these claims and, preferably after articulating its assessment to and coordinating efforts with Jacksonville P&F, negotiate a significant monetary recovery for Dish's benefit.

3. **Implementation of comprehensive corporate governance improvements**.

3.1. The events giving rise to the Complaint reflect serious corporate governance breakdowns and deficiencies at Dish. The SLC should aggressively act to implement governance enhancements that are likely to prevent any similar breakdown in the future.

3.2. As noted, we have considerable expertise in crafting novel and meaningful corporate governance enhancements tailored to company-specific problems.

As the SLC is aware, the LightSquared bankruptcy proceedings are moving quickly and time is of the essence. A refusal to at least reconstitute the STC as set forth in Demand 1 above by October 3, 2013, would be a clear sign that the September 18, 2013 formation of the SLC is merely aimed at stalling the proceedings in this Action for the benefit of Ergen rather than a good faith attempt to investigate Jacksonville P&F's claims for the benefit of Dish.

Please contact us with any questions about Jacksonville P&F's demand or to discuss developments that may impact the demand. We are, of course, available to discuss possible solutions with the SLC in the interest of Dish.

Sincerely yours,

Mark Lebovitch

Encl. (2)

Exhibit C

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
LIGHTSQUARED INC., *et al.*,[1]	Case No. 12-12080 (SCC)
	Jointly Administered
Debtors.	
	Adv. Proc. No. 13-1390 (SCC)
HARBINGER CAPITAL PARTNERS LLC, HGW US HOLDING COMPANY LP, BLUE LINE DZM CORP., AND HARBINGER CAPITAL PARTNERS SP, INC.,	**AMENDED COMPLAINT**
Plaintiffs,	
- against-	
CHARLES W. ERGEN, ECHOSTAR CORPORATION, DISH NETWORK CORPORATION, L-BAND ACQUISITION LLC, SP SPECIAL	

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

OPPORTUNITIES LLC, SPECIAL OPPORTUNITIES HOLDINGS LLC, SOUND POINT CAPITAL MANAGEMENT LP, AND STEPHEN KETCHUM,

Defendants.

THE AD HOC SECURED GROUP OF LIGHTSQUARED LP LENDERS,[2] LIGHTSQUARED INC, *et al.*, MAST CAPITAL MANAGEMENT, LLC, AND U.S. BANK NATIONAL ASSOCIATION,

Intervenors.

Plaintiffs Harbinger Capital Partners LLC, HGW US Holding Company LP, Blue Line DZM Corp., and Harbinger Capital Partners SP, Inc. (collectively, "Harbinger"), as and for their complaint against Defendants Charles W. Ergen ("Ergen"), EchoStar Corporation ("EchoStar"), Dish Network Corporation ("Dish"), L-Band Acquisition LLC ("LBAC," and with Ergen, EchoStar, and Dish, the "Dish/EchoStar Defendants"), SP Special Opportunities LLC ("SPSO"), Special Opportunities Holdings LLC ("SO Holdings"), Sound Point Capital Management LP ("Sound Point"), and Stephen Ketchum ("Ketchum," and with Sound Point, the "Sound Point Defendants"), hereby allege, including upon information and belief as to matters peculiarly within Defendants' knowledge, as follows:

PRELIMINARY STATEMENT

1. Harbinger is an investment fund engaged in the development and operation of an innovative satellite-and-terrestrial wireless-services network, through its ownership and control

[2] As of the date hereof, the Ad Hoc LP Secured Group is comprised of Capital Research and Management Company, Cyrus Capital Partners, L.P., Fir Tree Capital Opportunity Master Fund, L.P., Intermarket Corporation, SP Special Opportunities LLC, and UBS AG, Stamford Branch. Collectively, each member of the Ad Hoc LP Secured Group or its affiliate is the advisor to or beneficial owner of, or the holder or manager of, various accounts with investment authority, contractual authority or voting authority for $1,379,606,450.74 in aggregate principal amount of loans (the "LP Secured Loans") made pursuant to that certain credit agreement, dated as of October 1, 2010 by and among LightSquared LP as borrower, its affiliate guarantors and the lenders party thereto from time to time, which represents approximately 82% of the outstanding LP Secured Loans (*See* Seventh Supplemental Verified Statement of White & Case LLP Pursuant to Bankruptcy Rule 2019 [Dkt. No. 770]).

of debtor LightSquared Inc. and its subsidiaries ("LightSquared"). It brings this action against Ergen and entities he controls, including Dish, EchoStar, LBAC, SPSO, and SO Holdings, to seek redress for Defendants' fraud and other tortious conduct aimed at misappropriating Harbinger's control over and investment in LightSquared, and destroying Harbinger's contractual rights and business opportunities relating to that investment. These Defendants, aided and abetted by the Sound Point Defendants, are engaged in a fraudulent scheme to: (1) deprive Harbinger of its investment in and control of LightSquared and its valuable wireless spectrum; (2) prevent LightSquared -- a potential competitor to Dish and EchoStar -- from emerging from bankruptcy under Harbinger's control; and (3) misappropriate the valuable spectrum assets at a discount to their true value. Defendants' fraudulent scheme has materially harmed Harbinger's contractual rights and opportunities as LightSquared's controlling shareholder, and will improperly provide Ergen and his entities with an unfair advantage as a bidder for the spectrum assets, absent relief from this Court. Defendants' misconduct has already harmed Harbinger, and, if their scheme succeeds, will cause Harbinger billions of dollars in additional damages.

2. The tortious scheme alleged herein had several components. *First*, Defendants fraudulently infiltrated the senior-most tranche of LightSquared's capital structure, secretly amassing, based on knowing misrepresentations of fact, a position as the single largest holder of LightSquared's secured debt obligations (the "Loan Debt"). In particular, the Dish/EchoStar Defendants purchased the Loan Debt through Defendant SPSO -- a new investment vehicle created for this purpose, whose connection to Ergen they deliberately concealed, despite Harbinger's diligent inquiries. To make those purchases and become a debt-holder, SPSO was

required to represent -- and did represent, repeatedly and in writing -- that it was an "Eligible Assignee" under LightSquared's operative Credit Agreement (the "Credit Agreement").

3. As Defendants were well aware, SPSO's representations that it was an "Eligible Assignee" were false. Under the relevant contractual definitions -- intended to protect LightSquared and Harbinger from interference by competitors in the company's capital structure -- the term "Eligible Assignee" excludes LightSquared's competitors, including Dish and EchoStar, as well as any entity that they directly or indirectly control. Because Dish and EchoStar unquestionably control each and every activity of SPSO through the actions of their Executive Chairman and majority shareholder, Charles Ergen, SPSO was not an "Eligible Assignee," and was prohibited from purchasing the Loan Debt. Its written representations to the contrary were false and misleading. Moreover, because SPSO was not an Eligible Assignee, the purported transfer did not convey it any rights under the Credit Agreement, and its claim should be disallowed.

4. Ergen, through his Dish/EchoStar entities and SPSO, intended that Harbinger should, and Harbinger in fact did, rely on these continuous misrepresentations and the fraud to which they gave rise. If Harbinger had known that Ergen was purchasing Loan Debt based on false and misleading statements, it would have directed UBS AG ("UBS") -- the Administrative Agent under the Credit Agreement, which was responsible for monitoring compliance with the "Eligible Assignee" provisions -- to stop authorizing those purchases, and taken other steps to prevent Ergen's continued wrongful intrusion into LightSquared's capital structure.

5. The provisions of the Credit Agreement prohibiting the acquisition of Loan Debt by competitors were specifically negotiated by Harbinger personnel, and were of enormous importance to Harbinger in protecting its ownership and control over LightSquared. The process

by which Loan Debt could be acquired, including the unequivocal representations required of prospective purchasers that they were "Eligible Assignees," was at all relevant times relied upon by Harbinger to protect its controlling investment by ensuring that the LightSquared capital structure was free of competitors' influences.

6. The Dish/EchoStar Defendants concealed their connection to SPSO for over a year, creating an opening for SPSO to purchase over a billion dollars in Loan Debt, often at significant discounts to par, and thus to become LightSquared's largest creditor. During this time, both SPSO and the Dish/EchoStar Defendants repeatedly rebuffed inquiries from Harbinger and others as to who was behind SPSO's corporate façade. By the time SPSO's true identity was revealed, it had already contracted to purchase enough Loan Debt to severely impair Harbinger's rights in LightSquared's bankruptcy proceeding, and thereby to block Harbinger's efforts to negotiate a consensual plan of reorganization.

7. *Second*, as another component of their fraudulent scheme, the Dish/EchoStar Defendants and SPSO disrupted Harbinger's efforts to negotiate a plan of reorganization with LightSquared's lenders. They did so by causing SPSO to enter into binding commitments to purchase hundreds of millions of dollars of Loan Debt from LightSquared's existing lenders, but then refusing -- without justification or excuse, and contrary to settled industry practice -- to settle those trades. With those trades suspended in limbo for weeks and then months, Harbinger was unable to ascertain the true identity of the holders of the largest block of Loan Debt. This substantially impeded Harbinger's efforts to negotiate with a key constituency -- LightSquared's lenders -- during the critical "exclusivity period," in which the holders of Loan Debt and other creditors were not entitled to propose a plan of reorganization. Only after the exclusivity clock had almost run out did Defendants close the trades.

8. *Third*, Ergen acted on behalf of Dish and EchoStar to cause SPSO to use these same "hung trades" as a mechanism to interfere with Harbinger's efforts to raise exit financing for LightSquared. The existing LightSquared lenders with whom SPSO contracted, and whose trades it refused to close -- investment funds that were fully familiar with LightSquared and had extensive experience with the company and its long-term prospects -- were the very same investment funds that would have served as lenders in LightSquared's exit financing facility. SPSO fraudulently misrepresented to these lenders that it was permitted to own the Loan Debt and would seasonably close the trades. But as long as Ergen refused to allow SPSO to settle the pending trades, these lenders could not be certain that they had sold their old debt and could not take on new exposure to LightSquared. Ergen deliberately kept these trades open in order to prevent Harbinger from raising the capital necessary to cash out all of LightSquared's creditors and preserve its controlling equity interest -- a scheme that successfully and tortiously interfered with Harbinger's prospective economic advantage. As a result, although Harbinger has access to the capital markets for a LightSquared-related capital raise, that access is no longer at the level available before Ergen began his misdeeds.

9. In a parallel manipulation, Ergen also directed SPSO to use "hung trades" of both debt and equity interests in LightSquared to interfere tortiously with Harbinger's ability to have Jefferies LLC ("Jefferies") -- an investment bank that Defendants knew would play a key role in arranging Harbinger's exit financing, and that the Bankruptcy Court ultimately approved to do so -- raise the capital necessary for Harbinger to form a plan of reorganization that would pay off all of LightSquared's creditors and leave its shareholders' equity interests intact. To frustrate Harbinger's efforts, Ergen, through SPSO, induced Jefferies to enter into two "back-to-back" transactions with other investment funds, with Jefferies as the middleman and SPSO as the

ultimate buyer, for the purchase of bundled interests in (a) Loan Debt and (b) LightSquared LP's preferred shares (the "LP Preferred"). SPSO knew that the investment funds from which it arranged to make these bundled purchases were involved in advanced negotiations with Harbinger over a consensual plan, and that entering into these trades would disrupt those negotiations. Moreover, at Ergen's direction, SPSO intentionally misrepresented to Jefferies that it was permitted to acquire both types of securities, despite knowing full well that it was prohibited from acquiring the Loan Debt under the Credit Agreement, and the LP Preferred under the Stockholders' Agreement (as defined below). SPSO then refused to close the second leg of the "back-to-back" transaction -- over $160 million in trades -- leaving Jefferies exposed to millions of dollars in unclosed trades. That deliberate tortious interference with Harbinger's relationship with Jefferies created a significant additional road block to Harbinger's obtaining exit financing from Jefferies on the original terms and time frame that both Harbinger and Jefferies had contemplated.

10. *Fourth*, the Dish/EchoStar Defendants resorted to another newly created investment vehicle, defendant LBAC, to make a low-ball, bad-faith bid (the "Ergen Bid") for LightSquared's most valuable assets -- its wireless spectrum licenses -- priced substantially below their true value and at almost exactly the amount of the outstanding Loan Debt obligations. In other words, these Defendants made a bid that did little more than pay themselves back on the debt that they had fraudulently acquired through the manipulative schemes described above. The Dish/EchoStar Defendants then improperly leaked the confidential, heavily discounted bid to the press to further disrupt Harbinger's capital raise, sowing confusion and doubt among potential investors as to whether the spectrum assets had

sufficient value to serve as adequate collateral for raising exit financing or other investment capital.

11. If the Ergen Bid prevails, the Dish/EchoStar Defendants would unfairly profit from their fraud. Having acquired over a billion dollars in Loan Debt below par through SPSO, the sale contemplated by the Ergen Bid would result in a distribution for that same Loan Debt at par plus accrued and unpaid interest. Stated differently, because the Dish/EchoStar Defendants can recoup their Loan Debt investments at a substantial profit, their position allows them effectively to bid at a discount to all other bidders -- an unfair advantage over other potential bidders that was obtained by fraudulent means.

12. *Fifth*, to aid their attempt to force the untimely sale of the spectrum assets, the Dish/EchoStar Defendants have worked through SPSO to neutralize the main group of LightSquared's secured prepetition lenders (the "Ad Hoc Secured Group") and upend negotiations with Harbinger over a plan that would preserve Harbinger's equity interest. As the single largest holder of LightSquared's Loan Debt -- which it acquired through fraudulent means -- SPSO joined, and now controls, the Ad Hoc Secured Group. SPSO leveraged that control to scuttle all negotiations between LightSquared and its creditors, and to cause the Ad Hoc Secured Group to file an Ergen-friendly plan of reorganization for LightSquared LP, leaving all other LightSquared stakeholders, including Harbinger, empty-handed.

13. Through this concerted plan of misconduct, Defendants have stymied Harbinger's efforts to propose and implement a full cash pay plan and otherwise protect the unique value of its controlling investment in LightSquared. Defendants' fraudulent and tortious scheme already has caused Harbinger to suffer significant damages. If that scheme is fully realized, it would result in additional billions of dollars in damages to Harbinger. Accordingly, Harbinger brings

this action seeking the disallowance of SPSO's claims against the Debtors' estates under 11 USC § 502(a), equitable disallowance of SPSO's Loan Debt, and compensatory and punitive damages with respect to its plenary claims for fraud, tortious interference with contract and prospective economic advantage, unfair competition, and civil conspiracy, all in amounts to be determined at trial.

PARTIES

14. Plaintiff Harbinger Capital Partners LLC is a Delaware limited liability company with its principal place of business in New York.

15. Plaintiff HGW US Holding Company LP is a Delaware limited partnership with its principal place of business in New York.

16. Plaintiff Blue Line DZM Corp. is a Delaware corporation with its principal place of business in New York.

17. Plaintiff Harbinger Capital Partners SP, Inc. is a Delaware corporation with its principal place of business in New York. Together, Harbinger Capital Partners LLC, HGW US Holding Company LP, Blue Line DZM Corp., and Harbinger Capital Partners SP, Inc., are the majority shareholders of LightSquared and control LightSquared, and hold a general unsecured claim against LightSquared LP and claims against LightSquared Inc.

18. Defendant Ergen, a natural person, is a citizen of the state of Colorado. Ergen is the founder, Executive Chairman of the board of directors, an employee, and majority owner of Defendants EchoStar and Dish. As of November 30, 2012, Ergen controlled approximately 88% of Dish's voting shares, and approximately 80% of EchoStar's voting shares. Ergen controls EchoStar and Dish, including through his majority equity stakes in both companies and voting power. Both Dish and EchoStar's public filings reveal that Ergen can act for them with no independent oversight. Ergen stepped down as the CEO of EchoStar in 2009 and the CEO of

Dish in 2011 to become the Executive Chairman of both companies. He did so in order to focus on "the strategic responsibilities of both Dish and . . . EchoStar," such as acquisition and business development. The scheme to acquire LightSquared's spectrum by disrupting its bankruptcy, as alleged more fully herein, fits comfortably within the scope of the "strategic responsibilities" that Ergen himself has publicly described his intent to pursue on behalf of Dish and EchoStar. Through his control of Dish, Ergen also controls Defendant LBAC. Ergen is also the sole member and managing member of SO Holdings, which in turn is the sole member and managing member of SPSO. Through his various business ventures, Ergen is in the business of operating satellite communications companies which provide services across the country, including in New York.

19. Defendant EchoStar is a publicly traded company organized under the laws of Nevada, with its principal place of business in Colorado. EchoStar is a satellite communications company that currently operates, leases, or manages a number of satellites, including the satellites that provide services to EchoStar's sister company, Dish. EchoStar is controlled by Ergen, who founded EchoStar in or about 1980, serves on its board of directors as Executive Chairman, and controls a majority of EchoStar's voting shares.

20. Defendant Dish is a publicly traded company organized under the laws of Nevada, with its principal place of business in Colorado. Dish is a competitor of LightSquared. It is a provider of broadband and satellite television services and aims to expand its broadband offerings, including by building out an integrated terrestrial network, similar to that which LightSquared intends to offer. Dish is controlled by Ergen, who founded Dish in or about 1995, serves on its board of directors as Executive Chairman, and controls a majority of Dish's voting shares. In 2008, Dish was spun off from EchoStar, with EchoStar controlling the technology

and infrastructure aspects of the businesses, such as set top boxes and satellite operation, and Dish retaining the pay television business.

21. Defendant LBAC is a limited liability company organized under the laws of Delaware with its principal place of business in Colorado. LBAC is a wholly-owned subsidiary of Dish and thus controlled by Ergen. LBAC was formed for the sole purpose of bidding on LightSquared's spectrum assets, both through the Ergen Bid and as the stalking horse bidder in a plan proposed and supported by SPSO and others in the Chapter 11 Cases (as defined below).

22. Defendant SPSO is an investment vehicle organized under the laws of Delaware, with its headquarters in New York. SPSO's sole member and manager is SO Holdings, which in turn has Ergen as its sole member and managing member. Because Ergen both controls Dish and EchoStar, and acts unilaterally on their behalf, Dish and EchoStar, directly or indirectly, control SPSO through Ergen. SPSO was formed on or about May 16, 2012, at Ergen's direction, by Sound Point. SPSO has been acquiring debt in LightSquared since at least April 2012, and currently holds over $1 billion of LightSquared's Loan Debt.

23. Defendant SO Holdings is a holding company organized under the laws of Delaware, with its headquarters in New York. Ergen is the sole member and managing member of SO Holdings, and SO Holdings in turn is the sole member and manager of SPSO. Like SPSO, SO Holdings was formed on or about May 16, 2012, at Ergen's direction, by Sound Point.

24. Defendant Sound Point is an investment management and advisory firm organized under the laws of Delaware, with its headquarters in New York. Sound Point's founder and managing member is defendant Ketchum. Sound Point serves as trading manager and investment advisor for SPSO and facilitates and advises SPSO on its investments and investment strategies, as described further herein, in exchange for lucrative fees.

25. Defendant Ketchum, a natural person, is a citizen of the state of New York. Ketchum is the founder and managing member of Sound Point, and serves as the trading manager of SPSO. Ketchum is a former banker to Dish and has a longstanding relationship with Ergen, having worked with EchoStar since its founding. Ketchum has focused on media and telecommunications at least since 1991. He was the global head of Banc of America Securities LLC's Media & Telecom Group, the head of satellite telecommunications investment banking and a managing director of cable and satellite investment banking at UBS Warburg LLC, and a founding member and a managing director of the Satellite Financing Group for Donaldson Company, Inc.

JURISDICTION AND VENUE

26. This Court has original subject-matter jurisdiction over this action under 28 U.S.C. §§ 1334(b) and 157 because under section 157(b)(2)(B) it is a "core proceeding" for Counts I-VIII and insofar as Count II through VII are closely interconnected to Counts I and VIII and the jointly administered bankruptcy cases of LightSquared and its affiliated debtors and debtors-in-possession currently pending in the United States Bankruptcy Court for the Southern District of New York, *In re LightSquared Inc., et al.*, No. 12-12080 ("Chapter 11 Cases"). Alternatively, as to Counts II-VII, this action is "related to" the Chapter 11 Cases, insofar as, among other things, (a) the allegations herein involve Defendants' wrongful acquisition of LightSquared's debt securities and other manipulative conduct taken to gain an advantage in the Chapter 11 Cases, and (b) a judgment in favor of Harbinger in this action may affect the debtors' rights and obligations. This Court also has supplemental jurisdiction over Counts II-VII pursuant to 11 U.S.C. § 1367. In the event that any of Plaintiffs' claims are adjudged to be non-core claims, Plaintiffs consent to the entry of final orders or judgment by the bankruptcy court with respect to such claims, except to the extent that such claims are triable by jury.

27. This Court has personal jurisdiction over Defendants under Rule 7004 of the Federal Rules of Bankruptcy Procedure, Rule 4 of the Federal Rules of Civil Procedure, and New York CPLR §§ 301 and 302, because Defendants reside in New York and/or they committed one or more tortious acts within or without the state, causing injury to Harbinger within the state, and because service has been effectuated in accordance with the Federal Rules of Civil Procedure and the Federal Rules of Bankruptcy Procedure.

28. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409 because this action is related to the Chapter 11 Cases.

BACKGROUND

A. Harbinger's Investment in LightSquared.

29. Harbinger indirectly owns in excess of 82% of LightSquared, a provider of communications and broadband services. LightSquared has been delivering satellite-based mobile voice and data services since 1995 to hundreds of thousands of devices used in the public safety, security, transportation, fleet management, and asset tracking sectors. To provide these services, LightSquared licenses extremely valuable spectrum from the Federal Communications Commission ("FCC").

30. Harbinger has invested significant capital and labor over the course of many years to develop, through LightSquared, a unique, next-generation ancillary terrestrial network ("ATC Network") that would employ both satellite service and ground-based antennas to provide nationwide state-of-the-art "4G-LTE" (Fourth Generation -- Long Term Evolution) broadband mobile services.

31. To gain FCC authorization to use its spectrum in this innovative manner, Harbinger diligently worked with the FCC and other public and federal agencies, while investing substantial equity and providing hundreds of millions of dollars in debt financing to build out the

ATC Network. In 2010, in connection with Harbinger's acquisition of its controlling equity interest in LightSquared, Harbinger entered into an agreement with the FCC to have LightSquared build out the ATC Network and provide coverage to at least 260 million people by the end of 2015 (the "2010 FCC Agreement").

B. LightSquared Files For Bankruptcy.

32. In February 2012, the FCC issued a formal notice (the "FCC Notice") -- contrary to the terms of the 2010 FCC Agreement with Harbinger -- proposing to suspend indefinitely LightSquared's authorization to build out its ATC Network.

33. Following the FCC Notice, on May 14, 2012, LightSquared and several of its affiliates (collectively, the "Debtors") commenced the Chapter 11 Cases by filing 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"). LightSquared continues to operate its businesses and manage its properties as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

34. As alleged more fully below, Defendants have sought to exploit LightSquared's bankruptcy to strip away its valuable spectrum assets and misappropriate the commercial advantage held by Harbinger with respect to its efforts to negotiate a plan of reorganization that maintains Harbinger's equity interest and control rights. The Dish/EchoStar Defendants are eager to acquire the spectrum and related assets for themselves to launch or supplement their own wireless business, which would offer broadband, text and/or voice services to compete in the integrated broadband network market.

35. Unwilling or unable to expend the time and resources necessary to license and build their own network, these Defendants hatched a scheme to manipulate LightSquared's Chapter 11 Cases to acquire LightSquared's valuable spectrum licenses at a distressed price.

Critical to this scheme was keeping Harbinger from being in a position to repay LightSquared's creditors and retain its investment and control rights. By weakening Harbinger, Defendants understood that they would be in a better position to force a sale of LightSquared's spectrum, pursuant to which they could acquire the spectrum on the cheap. In one stroke, this ploy would allow Defendants first to disable a major competitor, Harbinger, and then to expand their relatively new broadband offerings by taking advantage of the significant time and resources Harbinger already invested to build out these revolutionary networks.

C. Defendants Fraudulently Acquire A Massive Position In LightSquared's Loan Debt.

36. To carry out this scheme, the Dish/EchoStar Defendants, acting through Ergen and his control over SPSO, secretly accumulated a controlling position (over $1 billion) in LightSquared's Loan Debt, which gave them tremendous power over Harbinger in connection with the Chapter 11 Cases. The Dish/EchoStar Defendants, SO Holdings, and SPSO have since exploited that power to (1) prevent Harbinger from obtaining financing during the exclusivity period that would have paid creditors in full and preserved Harbinger's control rights and equity interest; and (2) attempt to force LightSquared to sell its valuable spectrum assets to LBAC for use in the Dish/EchoStar Defendants' business.

1. Defendants Use SPSO As A Front To Evade the Restrictions Under The Credit Agreement That Prohibit Transfers to Competitors.

37. At the heart of the Dish/EchoStar Defendants' fraudulent scheme was concealing their purchases -- and, critically, attempting to evade explicit contractual restrictions on such purchases -- by using SPSO as a front. It is undisputed that SPSO is an Ergen vehicle: he is the sole member and managing member of SO Holdings, which in turn is the sole member and managing member of SPSO. Moreover, both entities were created with the knowledge and substantial assistance of Ergen's longtime banker, Ketchum, and Ketchum's investment fund,

Sound Point. Indeed, Sound Point's CFO signed the only authoritative public documents available on SPSO, their Delaware Department of State certificates of formation, as an "authorized person," for both SO Holdings and SPSO. The Sound Point Defendants chose a name -- "*SP* Special Opportunities" -- that the public would associate with Sound Point, not Defendants, lent SPSO their name and reputation, and used Sound Point's address on trade documentation submitted to UBS and counterparties. By establishing a new investment vehicle that could not be linked to Ergen, Dish, or EchoStar based on public information, the Sound Point Defendants helped the Dish/EchoStar Defendants carry out their plan in secret.

38. The Dish/EchoStar Defendants unlawfully used SPSO to circumvent the Credit Agreement's explicit restrictions on permissible purchasers. As they were well aware, that agreement, dated as of October 1, 2010, between and among LightSquared LP, a direct subsidiary of LightSquared, UBS as "Agent" and the entities that from time to time would serve as "Lenders" (as defined therein), included a series of provisions that protect LightSquared and Harbinger from opportunistic competitors, such as Defendants, who might pose as lenders to develop a position in LightSquared's capital structure.

39. In particular, Section 10.04 of the Credit Agreement only permits an existing lender to "assign to one or more *Eligible Assignees* all or a portion of its rights and obligations under this Agreement." Credit Agreement § 10.04(b) (emphasis added). The definition of "Eligible Assignee" makes clear that it "shall not include Borrower or any of its Affiliates or Subsidiaries, any natural person *or any Disqualified Company*." *Id.* § 1.01 (emphasis added). A "Disqualified Company" is defined as "any operating company which is a direct competitor of the Borrower," as well as "any known subsidiary thereof."

40. Each of Dish and EchoStar is a "Disqualified Company" under the Credit Agreement, and thus neither can be an "Eligible Assignee." Ergen himself, as a natural person, also cannot be an "Eligible Assignee." Thus, the plain terms of the Credit Agreement barred them from acquiring the Loan Debt.

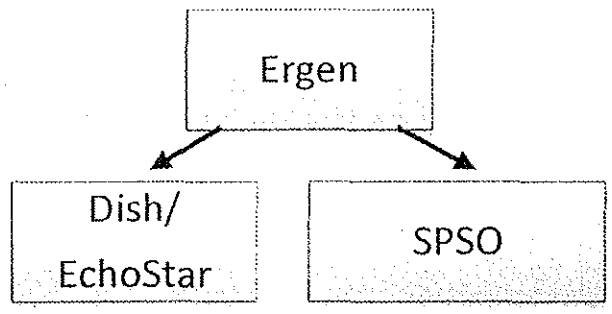
41. Recognizing that restriction, but nevertheless seeking to acquire the Loan Debt to further their fraudulent scheme, Ergen on behalf of Dish and EchoStar directed the Sound Point Defendants to carry out their purchases through SPSO. Although Defendants have publicly taken the position that SPSO is an "Eligible Assignee," it is not -- and as the secretive nature of their purchases confirms, Defendants knew it all along.

42. SPSO was disqualified under the plain terms of the Credit Agreement. Under the relevant definitions, a "Disqualified Company" also includes "any known subsidiary thereof." *See id.* The term "Subsidiary" includes any entity "Controlled" by the Disqualified Company (*see id.* § 1.01), with "Control" broadly defined as the "possession, *directly or indirectly*, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract *or otherwise*." *Id.* (emphasis added). Reading these definitions together, the Credit Agreement plainly restricts purchases of Loan Debt by Dish, EchoStar, and any entity known by them which they directly or indirectly control - - whether through ownership of voting securities, by contract or otherwise.

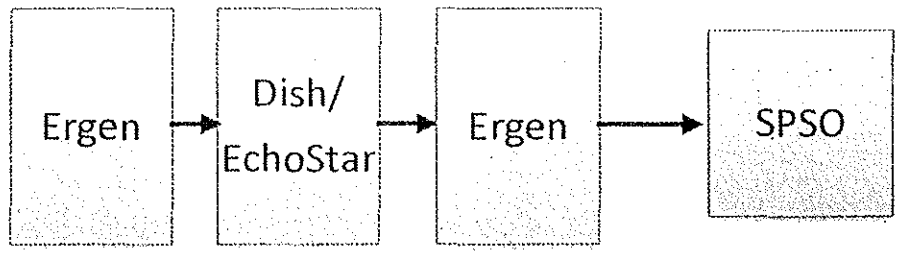
43. SPSO plainly is subject to this restriction. Because Dish and EchoStar each act through Ergen as their Executive Chairman, and Ergen in turn has the power as SO Holdings' sole member and managing member to direct SPSO, both Dish and EchoStar possess the power - - "directly or indirectly" -- to control SPSO. The identity of interests and overlapping control is complete: Ergen controls Dish and EchoStar and makes decisions on their behalf; Ergen then

acts unilaterally and with complete authority for Dish and EchoStar to carry out those decisions; and Ergen controls SPSO.

44. Through its counsel -- which, tellingly, serves not only as counsel to Ergen himself, but also as counsel in the Chapter 11 Cases to Dish-controlled LBAC -- SPSO has taken the position that it is not directly or indirectly controlled by Dish or EchoStar because, while both entities admittedly are controlled by Ergen, the entities allegedly have nothing to do with each other. It posits the following fictional diagram:



45. In fact, however, Dish and EchoStar directly (or at least indirectly) control SPSO because (a) Ergen controls and makes decisions for Dish and EchoStar; (b) Dish and EchoStar act through Ergen as their Executive Chairman; and (c) Ergen controls SPSO. In graphic terms:



46. Thus, for purposes of the Credit Agreement, Dish and EchoStar "directly or indirectly" "control" SPSO, making SPSO a "Subsidiary" of EchoStar and Dish -- and therefore a "Disqualified Company." Putting this in simple and practical terms, when Dish makes a decision (as it has) to buy LightSquared's assets, that decision is made by and through Ergen, Dish's chairman. Ergen, as Dish and EchoStar's Executive Chairman, is authorized to carry out that decision on behalf of Dish and EchoStar, and he similarly has the power to direct -- and

indeed *has* directed -- SPSO to facilitate that purchase by filing a plan to effectuate that transaction. Dish and EchoStar's control of SPSO thus is beyond peradventure.

47. Although no more evidence is necessary to establish Dish and EchoStar's control of SPSO, the surrounding facts and circumstances corroborate that conclusion. Ergen dominates Dish and EchoStar completely. Ergen founded both Dish and EchoStar, is publicly listed as an executive officer and Executive Chairman, remains the principal shareholder with control over their voting shares, and controls the operations of both companies with no independent oversight. A self-described "micromanager," to this day he signs all of the checks for Dish over $100,000. All of Dish's current directors save one are insiders, including his wife and a number of current and former employees.

48. Both Dish and EchoStar have admitted in annual reports that they are "controlled companies" under the Nasdaq listing rules, and note that "Mr. Ergen has the ability to elect a majority of our directors and to control all other matters requiring the approval of our stockholders. . . . We are controlled by one principal stockholder who is our Chairman." Both companies' public filings state that "[t]he loss of Mr. Ergen . . . or the ability of Mr. Ergen . . . to devote sufficient time and effort to our business could have a material adverse effect on our business, financial condition and results of operations." Indeed, proxy statements for both Dish and EchoStar use identical language to state that "[t]he Board of Directors places substantial weight on Mr. Ergen's recommendations in light of his role as Chairman and as co-founder and controlling shareholder of [Dish and EchoStar]."

49. Dish and EchoStar are also inextricably intertwined with one another. Indeed, they were part of the same company until Dish's 2008 spin-off from EchoStar. The two companies remain highly inter-dependent. Annual reports filed for both companies note that

they "may have potential conflicts of interest . . . due to [their] common ownership and management." For example, five out of seven of EchoStar's directors are current or former officers or directors of Dish. EchoStar has reported that its satellite services and set top box divisions are dependent upon Dish. Moreover, EchoStar, which recently acquired the satellite internet provider Hughes Communications, Inc. to provide services similar to those contemplated by LightSquared, already has cooperation agreements in place with Dish and its subsidiaries, Blockbuster LLC and DBSD North America, Inc. ("DBSD"), related to the provision of the precise type of broadband internet services, including via satellite, that the LightSquared assets would complement.

50. Moreover, the same counsel represents SPSO on the one hand, and LBAC on the other, in the Chapter 11 Cases. When SPSO caused the Ad Hoc Group to propose a plan for LightSquared, as discussed more fully below, the proposed stalking horse bidder was none other than Dish, through its Ergen-controlled vehicle LBAC. Moreover, public information further suggests that Dish itself, at Ergen's command, may have funded all or part of SPSO's acquisition of the Loan Debt. Such funding would, of course, be entirely consistent with the fact that Dish and EchoStar directly or indirectly control SPSO.

51. Thus, at all times when undertaking conduct in furtherance of the fraudulent scheme alleged herein, Ergen acted within the scope of his broad authority as controlling shareholder, Executive Chairman, and employee of Dish and EchoStar, and he acted for their benefit. The purpose of the fraudulent conspiracy was to eliminate Harbinger as a competitor and obtain LightSquared's valuable spectrum for Dish's and EchoStar's own wireless business. This falls within Ergen's broad mandate to focus on the strategic direction, including acquisitions and business development, of the two companies. For purposes of the misconduct alleged

herein, therefore, Ergen's intent, knowledge, and actions -- including those taken in the exercise of control over SO Holdings, SPSO, and LBAC -- are also those of Dish and EchoStar.

2. Defendants Make Blatantly False Statements, Upon Which Harbinger Relies, To Acquire The Loan Debt.

52. Defendants' acquisition of Loan Debt was not only a violation of the Credit Agreement between LightSquared and its lenders; it was also a fraud against Harbinger. Because the Credit Agreement requires prospective investors of the Loan Debt to disclose their identity to UBS and affirm in writing that they are Eligible Assignees, Defendants could have completed these purchases only by providing false and misleading information.

53. Under the Credit Agreement, UBS's prior written consent is required for any transfer of an interest in the Loan Debt. Credit Agreement § 10.04(b). To effectuate such a transfer, the parties must execute and deliver to UBS an "Assignment and Assumption" and "Administrative Questionnaire" (collectively, the "Purchase Documentation"). *Id.* § 10.04(c). The Purchase Documentation requires the prospective purchaser to make certain specific representations concerning, among other things, its identity and its status as an "Eligible Assignee." *Id.* § 10.04(b). Assignment is conditioned upon "acceptance and recording" by UBS -- acting explicitly for these purposes "as an agent of Borrower" -- of the Purchase Documentation, which then records in a register ("Register") the names and addresses of the lenders and their interest in the Loan Debt. *Id.* § 10.04(b), 10.04(c). UBS cannot approve the transfer of Loan Debt unless it is to an Eligible Assignee with properly executed Purchase Documentation, and thus acts in a non-discretionary capacity as a gatekeeper to LightSquared's capital structure on LightSquared and Harbinger's behalf.

54. The Credit Agreement requires that any information furnished by any lender in connection with the Agreement shall not contain any material misstatement of fact or omit to

state any material fact necessary to make the statements therein not misleading. *Id.* § 3.14. The protections that the Credit Agreement afforded against competitors encroaching in LightSquared's capital structure -- including the processes by which UBS would monitor Eligible Assignees and require Purchase Documentation -- were critical terms to Harbinger, which personally negotiated for their inclusion in the Credit Agreement in order to protect its ownership interests and control rights.

55. It was imperative to Harbinger and LightSquared that they know at all times the true identity of the investors holding LightSquared's Loan Debt, and Harbinger vigilantly monitored the trades and debt-holders as recorded by UBS on the Register. In particular, UBS used the Purchase Documentation to create a list of the names and addresses of the lenders who were Eligible Assignees, along with their interest in the Loan Debt (the "Lender List"), and recorded that information in the Register. UBS provided the Lender List to LightSquared from time to time, and in turn, LightSquared sent the Lender List to Harbinger. The Lender List and the Register had substantially the same information regarding the identity of the Eligible Assignees. Defendants knew LightSquared and its largest shareholder had access to the Register and the information contained therein.

56. To disguise SPSO's relationship with Dish and EchoStar, Ergen, on behalf of Dish and EchoStar, directed SPSO to make blatant misrepresentations in the Purchase Documentation submitted to UBS by falsely claiming that: (i) SPSO meets all requirements of an Eligible Assignee and (ii) SPSO will perform in accordance with the terms of the Credit Agreement, including not purchasing the Loan Debt as a "Disqualified Company." To advance this subterfuge, the Sound Point Defendants executed the Purchase Documentation as "investment advisor" and used their name and address in connection with the trades. In

furtherance of the Dish/EchoStar Defendants' plan, each time SPSO acquired Loan Debt, Sound Point on behalf of SPSO knowingly repeated the same misrepresentations and material omissions in the Purchase Documentation. Indeed, because SPSO initiated the first trades with counterparties on April 13, May 3, and May 4, 2012 -- before SPSO was created on May 16, 2012 -- those trades were entered into at Ergen's direction by Sound Point itself.

57. At the time of the fraud, each of the Defendants were aware that it was UBS's responsibility to monitor the Purchase Documentation, and that Harbinger and LightSquared relied upon the veracity of the Purchase Documentation to ensure that no competitor acquired Loan Debt. Although the Sound Point Defendants and Ergen, through SPSO, made the misrepresentations directly to UBS, they did so not simply to deceive UBS but primarily to deceive LightSquared and Harbinger. In fact, the Purchase Documentation explicitly refers to the Credit Agreement with UBS "as documentation agent." Thus, the Dish/EchoStar Defendants intended that Harbinger and LightSquared rely on the misrepresentations they made through SPSO, which were a necessary part of their attempt to purchase the Loan Debt, and induced UBS to accept and record the assignments of Loan Debt. Any approved transfer by UBS meant that the transferee had properly represented that it was an "Eligible Assignee." If Harbinger had known that SPSO was acquiring Loan Debt on false pretenses, and making affirmative misstatements of fact in its Purchase Documentation, Harbinger would have directed UBS -- successfully -- to stop accepting such documentation from SPSO and taken any and all other available steps, including seeking relief from this Court, to curtail those improper purchases.

58. Although published reports speculated that Dish was behind SPSO's purchases, Harbinger was unable -- despite diligent efforts -- to determine the true facts. Indeed, the only public official documents regarding SPSO and SO Holdings -- the formation documents -- listed

Sound Point's CFO, not Ergen. Further, subsequent articles reported that Ergen would not respond to rumors about investments in LightSquared's Loan Debt, and speculation arose that Carlos Slim, the Mexican telecommunications magnate, or Cablevision, might be behind the purchases. In addition to affirmatively misrepresenting its eligibility as a permissible debt-holder under the Credit Agreement, SPSO also repeatedly rebuffed inquiries by Harbinger directly, as well as by both Harbinger's and LightSquared's financial advisors, and the press, as to who was behind SPSO's corporate façade.

59. Defendants intentionally concealed and affirmatively misrepresented the position in LightSquared's capital structure that Dish and EchoStar, acting through Ergen, had accumulated, and flat-out refused to identify Ergen's relationship with SPSO for over a year -- until confronted on May 21, 2013 by the Bankruptcy Court. The extent of that concealment only confirms that Defendants were fully aware that SPSO is a "Disqualified Company" under the Credit Agreement. Indeed, as alleged herein, in several prior transactions pursued by the Dish/EchoStar Defendants to acquire spectrum -- including those involving TerreStar Corporation ("TerreStar"), Clearwire Corporation ("Clearwire"), Sprint Nextel Corporation ("Sprint"), and DBSD -- the Dish/EchoStar Defendants did not hide behind a special purpose vehicle, but rather publicly announced their interest and pursued the assets directly. The most plausible explanation for behaving differently here is the Ergen Defendants' consciousness of their own wrongdoing.

60. When Ergen finally did admit that he was behind SPSO, the damage was already done. SPSO had successfully infiltrated LightSquared's capital structure as the largest single creditor with rights to propose a plan -- rights that the Dish/EchoStar Defendants would not otherwise have had absent the fraudulent Loan Debt purchases.

61. The Sound Point Defendants acted in furtherance of the scheme, and provided the Dish/EchoStar Defendants with substantial assistance, by arranging and facilitating the Loan Debt trades. To conceal SPSO's ownership, Sound Point disseminated, prepared, and signed the Purchase Documentation as "Investment Advisor" for SPSO, serving as the face of Defendants' fraud to the public, creditors, and Jefferies. The Sound Point Defendants listed Sound Point's own address for all of the contacts for "notice and delivery" in the purchase and sale agreement, including as the "private & public" primary and secondary contacts. The Sound Point Defendants were aware of and/or took part in devising the scheme to flout the restrictions in the Credit Agreement, motivated by an ongoing business relationship with the Dish/EchoStar Defendants and substantial fees. Indeed, for a fund that had $178 million in assets under management in March 2012, the fees that the Sound Point Defendants likely garnered from purchasing over $1 billion in Loan Debt were highly significant.

62. The Dish/EchoStar Defendants could not have executed the scheme on their own without the substantial assistance the Sound Point Defendants offered in (i) concealing SPSO's true ownership from LightSquared, Harbinger, counterparties and the public; (ii) using their experience and expertise in the telecommunications industry; and (iii) allowing Defendants to exploit their brokerage license.

63. Had Harbinger known the truth about SPSO's role, it would have stopped Defendants from acquiring a blocking position in the Loan Debt; it would have sought relief from the Bankruptcy Court; and it would have taken other steps to address the fraudulent and improper interference with its control rights over LightSquared.

D. Defendants Manipulate Hundreds of Millions Of Dollars In Trades, Neutralizing Potential Investors In A Harbinger-Sponsored Reorganization.

64. In addition to fraudulently entering LightSquared's capital structure, Defendants actively manipulated the bankruptcy process by improperly causing SPSO to keep Loan Debt trades worth hundreds of millions of dollars in limbo for weeks or even months. By May 20, 2013, SPSO had contracted for, but refused to close, approximately $593,757,031.76 in Loan Debt trades (and closer to $610,019,568.01 counting trades held by brokers on that date) -- more than 33% of the *total outstanding* Loan Debt obligations. Indeed, SPSO, at Ergen's direction on behalf of Dish and EchoStar, kept open a number of trades that it had entered into as far back as December 12, 2012.

65. Leaving trades open for this extended period of time is completely at odds with common market practice, and it has no legitimate economic rationale. Indeed, guidelines from the Loan Syndication and Trading Association ("LSTA") -- the organization whose form documentation controlled the Loan Debt trades -- expressly provide that such trades should close within 20 days. It did, however, serve Ergen's illegitimate purpose: impeding Harbinger's ability during the exclusivity period to negotiate a consensual plan of reorganization with LightSquared and its largest stakeholders that would preserve Harbinger's equity and control rights. By early June, Harbinger and LightSquared had agreed upon material terms of a plan of reorganization with the members of the Ad Hoc Secured Group of which it was aware, with only final details to iron out. But because SPSO did not close its trades, the Loan Debt did not appear on the Register as having transferred to SPSO, making it impossible for LightSquared and Harbinger to determine the identity of the true holders of the Loan Debt, with whom LightSquared and Harbinger wished to negotiate a plan. As a result, in the months leading up to the termination of LightSquared's exclusivity on July 15, 2013 -- a period during which debtors

and creditors often partake in active negotiations -- Harbinger and LightSquared were left in limbo without a critical mass of lenders with which to engage.

66. Further, through Ergen and the Sound Point Defendants, the Defendants knew that the well-established financial institutions that already owned the Loan Debt, and were fully familiar with LightSquared's finances and the Chapter 11 Cases, were the very same investors that ultimately would provide LightSquared's exit financing. At least two of the counterparties to the hung trades were key potential buyers of a significant portion of the exit financing, but their interest was stymied by Defendants' tactics. Indeed, as Defendants knew, Harbinger already was engaged in extensive negotiations concerning a new debt structure with these very same lenders. These creditors agreed to sell Defendants their Loan Debt in reliance on SPSO's fraudulent misrepresentations that SPSO was permitted to hold the debt and would seasonably close the trades. In fact, Ergen had no intention of permitting SPSO to close the trades during this critical period, because he intended to leave the lenders who had agreed to sell to SPSO unsure whether they still had exposure to the Loan Debt. This manipulative scheme substantially impeded Harbinger's attempts to locate potential sources of exit financing for LightSquared, causing those efforts to fail, because these creditors -- who likely would have invested in a LightSquared exit financing package absent Defendants' interference -- could not commit to increase their exposure to LightSquared because of the open trades.

67. It was not until after SPSO joined the Ad Hoc Secured Group on June 13, 2013, approximately one month before LightSquared's exclusivity terminated, that it finally closed most of its long-pending trades. By that time, of course, the damage to Harbinger was already done: its efforts to negotiate an exit-financing package and a plan had been materially impaired.

E. Defendants Tortiously Interfere With Harbinger's Ability To Raise Exit Financing By Manipulating Additional Trades Based on Blatant Misrepresentations.

68. A critical part of Harbinger and LightSquared's negotiations with the Ad Hoc Secured Group was to obtain, prior to the expiration of exclusivity on July 15, 2013, a commitment for exit financing in an amount sufficient to satisfy the Ad Hoc Secured Group's claims in full. To that end, Harbinger negotiated and supported LightSquared's retention of Jefferies to secure a senior secured term loan for LightSquared, in an amount sufficient to form the cornerstone of a plan that would repay all of LightSquared's creditors in full and leave Harbinger's controlling equity interest intact (the "Exit Loan"). Harbinger also entered into an integrally related agreement to pay Jefferies certain fees associated with the Exit Loan financing, anticipated to be up to approximately $80 million. Jefferies expressly confirmed that it was "highly confident" it could raise the full amount of the Exit Loan. Although that commitment was subject to a number of conditions, as is customary in any commercial financing transaction, it is highly likely that those conditions would have been satisfied and the financing achieved. On June 7, 2013, the Bankruptcy Court authorized Jefferies to act as the sole manager and placement agent or arranger for the exit financing.

69. Ergen, acting on behalf of Dish and EchoStar and with the assistance of the Sound Point Defendants, derailed the Exit Loan by causing SPSO to enter into a series of trades involving Jefferies and others, which he knew SPSO could never lawfully consummate. Ergen, and thus Dish and EchoStar, knew -- based on Harbinger's relationship and ongoing discussions with Jefferies, Jefferies' expertise as one of, if not the, "go to" banks for this sort of distressed capital-raising, Ergen's own longstanding relationship with Jefferies, and the Sound Point Defendants' expertise in the telecommunications and finance world -- that Jefferies was a strong contender to be selected for the Exit Loan, and that Harbinger and Jefferies had a prospective

business relationship with respect to the Exit Loan. Armed with that knowledge, the Dish/EchoStar Defendants, through Ergen, caused SPSO in or about March 2013, to enter into two "back-to-back" transactions, with Jefferies as the middleman and two other investment funds as the indirect counterparties, for bundled purchases of both the LP Preferred and Loan Debt. SPSO, through Ergen, knew that the investment funds from which it arranged to make these bundled purchases were involved in advanced negotiations with Harbinger over a consensual plan, and that arranging these trades would disrupt those negotiations. Critically, in connection with these transactions, the Dish/EchoStar Defendants, through SPSO and under the direction of Ergen, falsely represented to Jefferies that SPSO could lawfully purchase both the Loan Debt and the LP Preferred. Jefferies relied upon those representations, to its detriment and Harbinger's, in entering into the trades.

70. Those representations were false as well. *First*, as discussed above, SPSO was not authorized to purchase the Loan Debt. *Second*, SPSO's purchase of the LP Preferred violated a related agreement -- the Stockholders' Agreement ("Stockholders' Agreement"). That agreement among LightSquared and its shareholders, including Harbinger, provides Harbinger with expansive control and management rights over LightSquared that are intended to protect the significant amounts of capital and resources that Harbinger has invested in its controlling position in LightSquared.

71. As one such protection, Section 2.1 of the Stockholders' Agreement prohibits the transfer of LP Preferred units to EchoStar or its "respective Affiliates or funds managed by such entities or their Affiliates." *Id.* As Ergen himself belatedly admitted on June 14, 2013, in a transferee affirmation required by the Stockholders' Agreement, SPSO is an "Affiliate" (as defined therein) of Dish and EchoStar. Accordingly, the Stockholders' Agreement prohibits the

transfer of the Preferred LP Units to SPSO, and SPSO's statements to the contrary were false and misleading. Nevertheless, Ergen aggressively pursued holdings in LP Preferred -- despite his inability to own it under the Stockholders' Agreement -- going so far as to make veiled threats of retaliation against anyone who stood in his way.

72. After causing SPSO to enter into these trades, Ergen directed SPSO to renege, and to refuse to close unless LightSquared and Harbinger would agree to waive the transfer restrictions under the Stockholders' Agreement. Ergen knew full well that LightSquared and Harbinger could not agree to that unreasonable ultimatum -- which was never a term under the original deal -- because it would damage LightSquared's independence from its competitors and impair Harbinger's control rights.

73. SPSO's sudden refusal to uphold their prior agreements and close on their trades interfered with LightSquared's ability to raise the critical exit financing within the exclusivity period and on the terms agreed upon by the parties, because Jefferies -- caught in the middle by Ergen's machinations -- was unexpectedly stuck with over $160 million in LightSquared securities on its books and unable to take on additional exposure to LightSquared debt. Defendants' willful and fraudulent interference caused Jefferies' failure to secure the full and required amount of the exit financing. As a result, Harbinger was directly harmed, and its economic opportunity to obtain the financing needed to repay all of LightSquared's creditors in cash, and to enable LightSquared to emerge from bankruptcy with Harbinger's equity interest and control rights preserved, was severely impaired.

F. Defendants' Low-Ball Bid And Plan Filing Seek To Further Disrupt Harbinger's Financing Efforts.

1. The Ergen Bid.

74. In another attempt to derail Harbinger's efforts to refinance and reorganize LightSquared, the Dish/EchoStar Defendants, through an Ergen-controlled entity, made a bad faith, low-ball bid for LightSquared's valuable spectrum assets. On May 15, 2013 -- before SPSO had disclosed its connection to the Dish/EchoStar Defendants, and when LightSquared was still within its exclusivity period -- the Dish/EchoStar Defendants made an unsolicited bid through a newly formed Dish subsidiary, LBAC, to purchase LightSquared's most valuable assets, including its 46 MHz of "L-Band" spectrum, for $2 billion. Demonstrating again the interrelatedness of Ergen's companies, Ergen did not disclose on whose behalf the Ergen Bid was made, only stating that it was for the benefit of "one or more of Charles Ergen, affiliated companies and/or other third parties." In fact, LBAC was not even formed as a corporate entity until May 28, 2013, nearly two weeks *after* the Ergen Bid was transmitted by LBAC's counsel (which is also SPSO's counsel) to LightSquared's financial advisor.

75. Although the Ergen Bid was labeled "CONFIDENTIAL," the Dish/EchoStar Defendants promptly leaked it to the press. They did so not only to chill ongoing negotiations between LightSquared, Harbinger, and the Ad Hoc Secured Group by creating doubt as to the viability of a consensual plan, but also to disrupt Harbinger's ability to raise capital for LightSquared. By bidding substantially less than what the market believed the "L-Band" spectrum was worth, the Dish/EchoStar Defendants sought to drive down the public perception of LightSquared's enterprise value, induce uncertainty as to the spectrum's utility as collateral, and undermine the credibility of Harbinger's ability to propose a plan of consensual

reorganization that would pay off all of LightSquared's creditors and preserve Harbinger's equity interest and control rights.

76. Accordingly, while the Dish/EchoStar Defendants were well aware that Harbinger's equity interest in LightSquared as an ongoing business was valued at many billions more than $2 billion, they nevertheless proceeded to create uncertainty and disrupt LightSquared's orderly reorganization by leaking the Ergen Bid to the press. In a transparent attempt to shield the Dish/EchoStar Defendants from the legal consequences of the Ergen Bid, the term sheet setting forth the bid itself declares that it "represents settlement discussions and is subject to FRE 408." A communication pursuant to Federal Rule of Evidence ("FRE") 408 is, by definition, a settlement communication between adverse parties. Because only SPSO was an adverse party to LightSquared at that time, with a massive holding of Loan Debt, the invocation of FRE 408 in the Ergen Bid further reveals the identity of interest between Dish and SPSO.

77. The Ergen Bid was thus part and parcel of the Dish/EchoStar Defendants' scheme to disrupt Harbinger's negotiations with the Ad Hoc Secured Group during the exclusivity period and force a distress sale of the spectrum assets at a fraction of their true value (estimated to be many billions of dollars in excess of the bid). By forcing a sale, the Dish/EchoStar Defendants could acquire the spectrum assets on the cheap to launch their own stand-alone wireless network. Indeed, Ergen's intended use of the spectrum assets is evidenced by the fact that Dish is the managing member of LBAC.

78. Moreover, if their discounted bid is successful, the Dish/EchoStar Defendants and SPSO also stand to profit unfairly from SPSO's fraudulent purchase of over $1 billion in Loan Debt. That Loan Debt was purchased at a significant discount to par, but would be repaid at par, plus accrued interest -- a windfall in excess of $200 million. Aside from these improper gains, a

forced sale would destroy Harbinger's investment and improperly enrich Defendants by transferring to them "L-Band Spectrum" assets -- assets vital to LightSquared's business -- at a fraction of their true value.

2. SPSO Causes The Filing Of An Ergen-Friendly Plan.

79. In furtherance of his efforts to obtain the spectrum assets for Dish and EchoStar, Ergen caused SPSO to join the Ad Hoc Secured Group on June 13, 2013, prior to the expiration of the exclusivity period. As the largest debt-holding member of the Ad Hoc Secured Group (holding more than twice as much Loan Debt as all other members combined), SPSO was able to gain control of the Ad Hoc Secured Group, run out the clock on the exclusivity period, and scuttle negotiations among the Ad Hoc Secured Group, LightSquared, and Harbinger, thereby preventing Harbinger from proposing and implementing a plan that would have kept its controlling equity interests intact.

80. Having upended all negotiations, the Dish/EchoStar Defendants worked through SPSO to propose a plan that would displace Harbinger and put them in control of the spectrum assets. On July 23, 2013, only eight days after the exclusivity period expired, SPSO -- now in control of the Ad Hoc Secured Group -- caused the Ad Hoc Secured Group to file a *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* (the "SPSO Plan"). Under the terms of the SPSO Plan, LBAC was the stalking horse bidder, and as such, would receive a number of advantages over any subsequent bidders.

81. The Dish/EchoStar Defendants also caused the other members of the Ad Hoc Secured Group to enter into a plan support agreement supporting the SPSO Plan, which

prohibited them from engaging in, continuing, or otherwise participating in any negotiations regarding any alternative plan. Accordingly, SPSO, under the direction of Ergen, used its leverage as a fraudulent and ineligible holder of Loan Debt to cut off prematurely the ongoing negotiations between and among the Ad Hoc Secured Group, LightSquared, and Harbinger, effectively precluding any hope of a global settlement for a plan of reorganization for LightSquared.

82. Ergen's tactics have not gone unnoticed. As reported in the *Wall Street Journal*, Dish's board of directors recognized that Ergen was acting on behalf of Dish in purchasing the Loan Debt because it believed that Dish's shareholders should share in the profits he made from the purchases of the Loan Debt. The Dish board then formed an independent committee of two -- the only independent directors on Dish's board -- to evaluate whether Dish should bid on these assets. After determining only that the bid itself was fair to Dish (indeed, in light of the low price Dish was bidding for the assets, it was clearly advantageous from Dish's perspective), one of the only two independent directors, Gary Howard, suddenly resigned over Dish's treatment of the issue. Howard, who had served on Dish's board for nearly eight years, had expected that the committee would have an ongoing role in the deal discussions "to keep open the possibility that Mr. Ergen could direct some of his gains [from the Loan Debt purchases] to Dish shareholders." The Ergen-dominated board, however, immediately disbanded the committee after receiving its approval, causing Howard to resign so quickly that Dish risked delisting on the Nasdaq, as they disclosed in a form 8-K submitted to the Securities and Exchange Commission.

G. Ergen's Prior Misconduct Confirms His Bad Faith And Improper Intent.

83. Although the misconduct of Ergen and his companies in these Chapter 11 Cases is fully actionable in its own right, their culpability and mental state are further confirmed by prior instances of similar wrongdoing. Indeed, Ergen and his companies have a longstanding history

of abusing the bankruptcy process and engaging in wrongdoing to destroy a potential competitor and extract its valuable assets.

84. In 2008, for example, Ergen acted through Dish to acquire the spectrum assets of another satellite communications company, DBSD. After DBSD filed for bankruptcy in 2009, Dish acquired a substantial amount of debt to block a plan of reorganization and force an asset sale to gain control of DBSD's valuable spectrum assets for itself. The bankruptcy court, recognizing Dish's motives, designated Dish's votes against the plan, finding that Dish was not acting in good faith but was acting out of its own strategic and anti-competitive interests. After having been sanctioned for its misconduct, Dish simply made a higher offer and acquired the assets.

85. Similarly, in 2010, when TerreStar, an independent satellite company, was in bankruptcy, Ergen acted through EchoStar to acquire a majority of TerreStar's secured debt and exchanged it for a significant equity position in TerreStar. Ergen acquired the equity of TerreStar to carry out a plan in which he would increase his equity ownership upon emergence to gain control of the company. Ultimately, Ergen through Dish acquired TerreStar's spectrum to offer its own wireless broadband service and was able to have EchoStar repaid through the proceeds of the purchase.

86. More recently, Ergen set his sights on acquiring the assets of Clearwire after it had entered into a merger agreement with Sprint. Ergen caused Dish to make a tender offer for Clearwire's stock, which allegedly violated the shareholder rights of Sprint and other equity holders and tortiously interfered with the pending merger agreement. According to a complaint filed against Dish at the time, Dish duped Clearwire's minority shareholders into believing that Dish would pay them a higher price for their stock than they would receive through a Sprint

merger, in an effort to cause the minority shareholders to vote against the Sprint merger or create the perception that the merger could be defeated. Dish made a series of non-binding or unactionable offers for Clearwire's minority shares which allegedly were conditioned on untenable terms that would induce breaches of Clearwire's existing agreements. Soon after Sprint sued for this misconduct, Dish withdrew its misleading tender offer.

87. In each of these cases, Ergen acted directly through Dish or EchoStar, without resorting to concealment or subterfuge. The fact that he acted differently here -- working with the Sound Point Defendants to conceal the ultimate beneficiaries of his scheme -- betrays his consciousness of guilt. Moreover, although these examples of prior wrongdoing are not the basis of the claims asserted herein, they nevertheless confirm that Ergen has not hesitated to violate agreements, make misrepresentations, abuse his position as a creditor, or engage in other inequitable conduct to achieve his self-interested goals. His conduct in these cases is entirely in accord. Importantly, the Ergen philosophy appears to be to wreak as much havoc as possible to achieve a heavily discounted price, and then to pay fair value only if he is caught in his misconduct.

H. Harbinger Has Been Harmed By Defendants' Fraudulent, Bad Faith Conduct.

88. Defendants' actions were made with a single goal: to strip away Harbinger's control of LightSquared, and prevent Harbinger from competing with the Dish/EchoStar Defendants in the wireless broadband market.

89. Harbinger has invested enormous amounts of capital, labor, expertise and other resources in LightSquared and its development and build-out of the ATC Network. By virtue of its controlling interest in LightSquared, Harbinger held a unique and protectable advantage with respect to plan negotiations during the exclusivity period, which Defendants misappropriated through their bad faith purchases of Loan Debt. Defendants' conduct deprived Harbinger of the

fruits of its substantial and unique investment, in an attempt to seize the spectrum assets and prevent Harbinger from confirming a plan of reorganization for LightSquared to repay its creditors and for Harbinger to retain its equity and control rights. Indeed, Harbinger's ability to implement the plan it worked towards achieving during the exclusivity period, premised on exit financing in an amount sufficient to satisfy all of LightSquared's creditors and to keep Harbinger's equity intact, has already been destroyed.

90. Defendants' wrongdoing complained of herein has caused unique damages to Harbinger, interfering with its long-standing efforts and investments to maximize the value of the ATC Network and its efforts to put forward a viable plan of reorganization. If Defendants' fraudulent scheme succeeds, Harbinger stands to lose the entirety of its investment and control rights and to suffer billions of dollars in damages.

AS AND FOR A FIRST CAUSE OF ACTION

(Equitable Disallowance -- Against SPSO)

91. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 90 above as if fully set forth herein.

92. SPSO has engaged in inequitable conduct by, among other things:

(a) Fraudulently acquiring over $1 billion of the Loan Debt by acting as a shill for Dish and EchoStar in an attempt to circumvent restrictions in the Credit Agreement prohibiting Defendants from holding the Loan Debt, repeatedly making material fraudulent representations and omissions as to the true identity of the holder of the Loan Debt, and continuing to conceal the true identity of SPSO despite repeated inquiries;

(b) Intentionally disrupting Harbinger's negotiations with LightSquared's creditors by keeping trades of Loan Debt open for weeks and months, such that Harbinger

and the marketplace could not identify the true holder of the Loan Debt and the sellers of that debt were kept in limbo;

(c) Intentionally disrupting Harbinger's negotiations with LightSquared's creditors by tendering a low-ball bid through its affiliate LBAC for certain of LightSquared's assets, and disclosing the amount of the confidential Ergen Bid to the public, such that potential investors would undervalue the assets;

(d) Intentionally disrupting Harbinger's effort to facilitate and raise capital for LightSquared in connection with an exit facility arranged by Jefferies by keeping open trades of the Loan Debt and LP Preferred, such that Jefferies would be unable to arrange for exit financing until the open trades were settled;

(e) Intentionally disrupting Harbinger's effort to facilitate and raise capital for LightSquared in connection with an exit facility by failing to close trades of the Loan Debt made with the most likely potential lenders in the new exit facility, because the uncertainty of the open trades made those lenders reluctant to issue new debt; and

(f) Knowingly and wrongfully gaining control of the Ad Hoc Secured Group to prematurely cut off Harbinger and LightSquared's negotiations with the Ad Hoc Secured Group.

93. Defendants' grossly inequitable conduct directly resulted in injury to Harbinger in addition to the unsecured creditors of LightSquared LP, the interest holders of LightSquared LP, the creditors of LightSquared Inc., and the interest holders of LightSquared Inc. Specifically, Defendants' conduct -- which was intended to misappropriate Harbinger's ownership interests in and control over LightSquared -- prevented Harbinger from securing exit financing on its

original terms and in its original timeframe and deprived Harbinger of the ability to negotiate a global plan of reorganization with legitimate creditors that would provide value to all of the Debtors' creditors, instead allowing the Dish/EchoStar Defendants to hijack the Chapter 11 Cases and propose a plan to acquire spectrum at a distressed price (taking advantage of the distress that they created).

94. If SPSO's claims are allowed, those claims would consume a substantial portion of the value of LightSquared LP's estate and substantially diminish the value available for distribution to Harbinger, in addition to the unsecured creditors of LightSquared LP, the interest holders of LightSquared LP, the creditors of LightSquared Inc., and the interest holders of LightSquared Inc.

95. Equitable disallowance of SPSO's claims is consistent with the provisions of the Bankruptcy Code and related case law.

96. By reason of the foregoing, Plaintiffs are entitled to judgment (a) equitably disallowing SPSO's claims in their entirety; or alternatively and at a minimum, (b) equitably disallowing SPSO's claims to the extent that payment upon those claims would result in Defendants' realizing a profit from their wrongdoing.

AS AND FOR A SECOND CAUSE OF ACTION

(Fraud -- Against The Dish/EchoStar Defendants, LBAC, SPSO, and SO Holdings)

97. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 96 above as if fully set forth herein.

98. The Dish/EchoStar Defendants, SPSO, and SO Holdings (collectively, the "Ergen Defendants") intentionally and/or recklessly made false and misleading affirmative statements of material fact regarding, among other things that (a) the true identity of the investors purchasing the Loan Debt, (b) SPSO was an "Eligible Assignee" allowed to purchase the debt and (c)

Defendant SPSO was complying with the Credit Agreement because it was not acquiring the debt as a "Disqualified Company." Dish and EchoStar, acting through Ergen, caused SPSO to make these misrepresentations. The Ergen Defendants' secrecy as to the true ownership of SPSO and their use of a special purpose vehicle to acquire debt when they had otherwise acquired debt directly in the past, as alleged above, further confirms that they knew their representations here were false.

99. The Ergen Defendants intentionally and/or recklessly also failed to disclose material information known only to them and specifically not known to Plaintiffs. These instances of nondisclosure include, but are not limited to, the facts that (a) SPSO was purchasing the Loan Debt by and on behalf of the Dish/EchoStar Defendants, (b) SPSO was not an "Eligible Assignee" and (c) Defendant SPSO was actually a "Disqualified Company." The Ergen Defendants were under a duty to disclose such information because (i) their nondisclosure made their prior affirmative misstatements about being qualified to purchase the Loan Debt misleading and (ii) they had specialized knowledge that was not in possession of UBS and Harbinger, and knew UBS and Harbinger were acting under the mistaken belief that SPSO was an "Eligible Assignee."

100. The Ergen Defendants made these material misrepresentations, and omitted disclosing the material facts known only to them herein alleged, intending to prevent Harbinger from taking steps to stop the Ergen Defendants from acquiring a significant holding in LightSquared. Harbinger reasonably relied upon the Ergen Defendants' misrepresentations and omissions in the Purchase Documentation, which was submitted to UBS as Agent -- on which Defendants knew LightSquared and Harbinger would rely and LightSquared and Harbinger in fact did rely -- in continuing to invest labor, capital and other resources into LightSquared, and

refraining from taking steps to curb the improper purchases of LightSquared's Loan Debt. Plaintiffs have been damaged by the Ergen Defendants' intentional or reckless misconduct. The Ergen Defendants' fraudulent conduct, as alleged herein, was outrageous, willful and wanton, and perpetrated with an evil motive and a reckless indifference to the rights of Plaintiffs. The Ergen Defendants' fraudulent scheme alleged herein was intended to misappropriate Harbinger's ownership interests in and control over LightSquared, and, if it is allowed to come to fruition, Harbinger will lose the entirety of its unique controlling interest in LightSquared and suffer additional billions of dollars in damages.

101. By reason of the foregoing, Plaintiffs are entitled to a judgment against the Ergen Defendants, jointly and severally, for compensatory and punitive damages in an amount to be determined at the trial, but in excess of $2 billion.

AS AND FOR A THIRD CAUSE OF ACTION

(Aiding and Abetting Fraud -- Against the Sound Point Defendants)

102. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 101 above as if fully set forth herein.

103. As alleged herein, the Ergen Defendants engaged in a fraud against Plaintiffs by making affirmative misrepresentations of fact, intentionally and/or recklessly failing to disclose material information known only to them and specifically not known to Plaintiffs, including but not limited to the facts that (a) SPSO was purchasing the Loan Debt by and on behalf of the Dish/EchoStar Defendants, (b) SPSO was not an "Eligible Assignee," and (c) Defendant SPSO was actually a "Disqualified Company."

104. The Sound Point Defendants had actual knowledge of the Ergen Defendants' fraud, as evidenced by the fact that: (a) they were familiar with the Dish/EchoStar Defendants' business and knew that the Dish/EchoStar Defendants were competitors of LightSquared; (b) as

trade manager and investment advisor for SPSO, they knew that the Credit Agreement had restrictions prohibiting Defendants' purchases of the Loan Debt; (c) they knew, therefore, that they had to engage in fraud to circumvent those contractual restrictions; (d) they entered into the trades on SPSO's behalf and agreed to abide by terms of the Credit Agreement despite knowing that they had no intention of doing so; (e) despite that knowledge, the Sound Point Defendants, as SPSO's trade manager and investment advisor, repeatedly arranged and facilitated the purchase of the Loan Debt; and (f) they drafted and disseminated the Purchase Documentation containing the misrepresentations and omissions on the remaining Defendants' behalf.

105. The Sound Point Defendants substantially assisted the Ergen Defendants' commission of fraud by (i) signing and disseminating the Purchase Documentation containing the actual misrepresentations as "investment advisor"; (ii) forming SPSO and SO Holdings and signing those entities' corporate formation documents as an "authorized person" for both defendants; (iii) serving as SPSO's trading manager and investment advisor in exchange for lucrative fees connected with the fraudulent purchases of the Loan Debt; (iv) using their expertise in the telecommunications industry to identify Loan Debt holders to begin purchasing the Loan Debt in April 2012, a full month before SPSO was even formed as an entity in May 2012; and (v) holding Sound Point out to the public, creditors, UBS, and Jefferies, as SPSO's public face to conceal SPSO's affiliation. Without this assistance, the Ergen Defendants would not have been able to wrongfully acquire the Loan Debt. Harbinger relied upon the misrepresentations and omissions complained-of herein by continuing to invest labor, capital and other resources into LightSquared and refraining from taking steps to curb the improper purchases of the Loan Debt. The Sound Point Defendants' substantial assistance to the Ergen

IN THE SUPREME COURT OF THE STATE OF NEVADA

IN THE MATTER OF DISH NETWORK DERIVATIVE LITIGATION.	SUPREME COURT No. 69012
JACKSONVILLE POLICE AND FIRE PENSION FUND, Appellant, vs. GEORGE R. BROKAW; CHARLES M. LILLIS; TOM A. ORTOLF; CHARLES W. ERGEN; CANTEY M. ERGEN; JAMES DEFRANCO; DAVID K. MOSKOWITZ; CARL E. VOGEL; THOMAS A. CULLEN; KYLE J. KISER; AND R. STANTON DODGE, Respondent.	SUPREME COURT No. 69729

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JOINT APPENDIX
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Date	Document Description	Volume	Bates No.
2014-08-29	Affidavit of Service re Second Amended Complaint Kyle Jason Kiser	Vol. 18	JA004272 – JA004273[1]
2014-08-29	Affidavit of Service re Second Amended Complaint Stanton Dodge	Vol. 18	JA004268 – JA004271
2014-08-29	Affidavit of Service re Second Amended Complaint Thomas A. Cullen	Vol. 18	JA004274 – JA004275
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[1] JA = Joint Appendix

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2014-10-26	Appendix, Volume 1 of the Appendix to the Report of the Special Litigation Committee of DISH Network Corporation (No exhibits attached)	Vol. 20	JA004958 – JA004962
2014-10-27	Appendix, Volume 2 of the Appendix to the Report of the Special Litigation Committee of DISH Network Corporation (No exhibits attached)	Vol. 20	JA004963 – JA004971

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2014-10-27	Appendix, Volume 3 of the Appendix to the Report of the Special Litigation Committee of DISH Network Corporation and Selected Exhibits to Special Litigation Committee's Report: Exhibit 162 (Omnibus Objection of the United States Trustee to Confirmation dated Nov. 22, 2013); Exhibit 172 (Hearing Transcript dated December 10, 2013); and Exhibit 194 (Transcript, Hearing: Bench Decision in Adv. Proc. 13-01390-scc., Hearing: Bench Decision on Confirmation of Plan of Debtors (12-12080-scc), In re LightSquared Inc., No. 12-120808-scc, Adv. Proc. No. 13-01390-scc (Bankr. S.D.N.Y. May 8, 2014)); Exhibit 195 (Post-Trial Findings of Fact and Conclusion of Law dated June 10, 2014 (In re LightSquared, No. 12-120808 (Bankr. S.D.N.Y.)); Exhibit 203 (Decision Denying Confirmation of Debtors' Third Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code (In re LightSquared, No. 12-120808 (Bankr. S.D.N.Y.))	Vol. 20 Vol. 21 Vol. 22 Vol. 23	JA004972 – JA005001 JA005002 – JA005251 JA005252 – JA005501 JA005502 – JA005633
2014-10-27	Appendix, Volume 4 of the Appendix to the Report of the Special Litigation Committee of DISH Network Corporation (No exhibits attached)	Vol. 23	JA005634 – JA005642

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2014-10-27	Appendix, Volume 5 of the Appendix to the Report of the Special Litigation Committee of DISH Network Corporation and Selected Exhibits to Special Litigation Committee's Report: Exhibit 395 (Perella Fairness Opinion dated July 21, 2013); Exhibit 439 (Minutes of the Special Meeting of the Board of Directors of DISH Network Corporation (December 9, 2013). (In re LightSquared, No. 12-120808 (Bankr. S.D.N.Y.)) **(Filed Under Seal)**	Vol. 23	JA005643 – JA005674
2014-10-27	Appendix, Volume 6 of the Appendix to the Report of the Special Litigation Committee of DISH Network Corporation (No exhibits attached)	Vol. 23	JA005675 – JA005679
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2013-10-16	Notice of Entry of Order Granting, in Part, Plaintiffs Ex Parte Motion for Order to Show Cause and Motion to (1) Expedite Discovery and (2) Set a Hearing on Motion for Preliminary Injunction on Order Shortening Time and Plaintiff's Motion for Preliminary Injunction and for Discovery on an Order Shortening Time	Vol. 7	JA001562 – JA001570

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2015-02-20	Notice of Entry of Order Regarding Motion to Defer to The SLC's Determination that the Claims Should Be Dismissed	Vol. 26	JA006315 – JA006322
2016-01-08	Order Granting in Part and Denying in Part Plaintiff's Motion to Retax	Vol. 43	JA010712 – JA010715
2013-10-15	Order Granting, in Part, Plaintiffs Ex Parte Motion for Order to Show Cause and Motion to (1) Expedite Discovery and (2) Set a Hearing on Motion for Preliminary Injunction on Order Shortening Time and Plaintiff's Motion for Preliminary Injunction and for Discovery on an Order Shortening Time	Vol. 7	JA001557 – JA001561
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2013-09-13	Plaintiff's Appendix of Exhibits to Motion for Preliminary Injunction and For Discovery on an Order Shortening Time	Vol. 1 Vol. 2 Vol. 3 Vol. 4 Vol. 5	JA00132 – JA00250 JA00251 – JA00501 JA00502 – JA00751 JA00752 – JA001001 JA001002 – JA001028
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2015-07-02	Special Litigation Committee's Appendix of SLC Report Exhibits Referenced in Supplemental Reply in Support of the Motion to Defer **(Exhibits Filed Under Seal)** (Includes SLC Report Exhibits 298, 394, 443, 444, 446, 447 and 454)	Vol. 41	JA0010002 – JA010048
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2013-09-12	Verified Amended Derivative Complaint	Vol. 1	JA000049 – JA000094

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2013-08-09	Verified Shareholder Derivative Complaint	Vol. 1	JA000001 – JA000034

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

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[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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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");

---

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.

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[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]

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[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.

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[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:

[Signature Pages to Purchase Agreement]

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:

[Signature Pages to Purchase Agreement]

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:

[Signature Pages to Purchase Agreement]

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 & McCLOY 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