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

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

**NOTICE OF FILING OF SPECIFIC DISCLOSURE STATEMENT
FOR JOINT PLAN PURSUANT TO CHAPTER 11 OF BANKRUPTCY CODE**

PLEASE TAKE NOTICE that 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, at the request and direction of the special committee of the boards of directors for LightSquared Inc. and LightSquared GP Inc., on behalf of the other Plan Proponents, hereby file the *Specific Disclosure Statement for Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* (as amended, supplemented, or modified from time to time, the “Specific Disclosure”

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



Statement”), attached hereto as Exhibit A. The Specific Disclosure Statement includes as an exhibit thereto the *Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* (as amended, modified, or supplemented, the “Plan”).²

PLEASE TAKE FURTHER NOTICE that the Specific Disclosure Statement, the Plan, and all filed exhibits thereto may be viewed for free at the website of LightSquared’s Claims and Solicitation Agent, Kurtzman Carson Consultants LLC (“KCC”), at <http://www.kccllc.net/lightsquared> or for a fee on the Bankruptcy Court’s website at www.nysb.uscourt.gov. To access documents on the Bankruptcy Court’s website, you will need a PACER password and login, which can be obtained at <http://www.pacer/psc/uscourt.gov>. To obtain hard copies of the Specific Disclosure Statement and Plan, please contact KCC at (877) 499-4509 or by email at LightSquaredInfo@kccllc.com.

Respectfully submitted,

New York, New York
Dated: December 18, 2014

/s/ Matthew S. Barr

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² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan.

Exhibit A

Specific Disclosure Statement

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

In re:

LIGHTSQUARED INC., *et al.*,

Debtors.¹

)
) Chapter 11
)
) Case No. 12-12080 (SCC)
)
) Jointly Administered
)

**SPECIFIC DISCLOSURE STATEMENT FOR JOINT PLAN
PURSUANT TO CHAPTER 11 OF BANKRUPTCY CODE**

- Voting Record Date: [_____]
- Voting Deadline: [_____], at 4:00 p.m. (prevailing Pacific time)
- Plan/Disclosure Statement Objection Deadline: [_____], at 4:00 p.m. (prevailing Eastern time)
- Confirmation Hearing: [_____], at 10:00 a.m. (prevailing Eastern time)

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Dated: New York, New York
December 18, 2014

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 LightSquared's corporate headquarters is 10802 Parkridge Boulevard, Reston, VA 20191.

THIS IS NOT A SOLICITATION FOR ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THE DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL TO THE BANKRUPTCY COURT AND HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT AT THIS TIME.

THE DEADLINE TO ACCEPT OR REJECT THE PLAN IS [____], 2015 AT 4:00 P.M. (PREVAILING PACIFIC TIME) (THE “VOTING DEADLINE”). TO BE COUNTED, BALLOTS MUST BE RECEIVED BY KURTZMAN CARSON CONSULTANTS LLC, LIGHTSQUARED’S NOTICE, CLAIMS, SOLICITATION, AND BALLOTING AGENT (“KCC” OR THE “CLAIMS AND SOLICITATION AGENT”), NO LATER THAN THE VOTING DEADLINE.

THE STATEMENTS CONTAINED IN THIS SPECIFIC DISCLOSURE STATEMENT (THE “SPECIFIC DISCLOSURE STATEMENT”) FOR THE *JOINT PLAN PURSUANT TO CHAPTER 11 OF BANKRUPTCY CODE* (ATTACHED HERETO AS EXHIBIT A AND, AS THE SAME MAY BE AMENDED FROM TIME TO TIME IN ACCORDANCE THEREWITH, THE “PLAN”),² FOR LIGHTSQUARED INC., LIGHTSQUARED LP, AND CERTAIN OF THEIR AFFILIATES, AS DEBTORS AND DEBTORS IN POSSESSION (COLLECTIVELY, “LIGHTSQUARED” OR THE “DEBTORS”) IN THE ABOVE-CAPTIONED CHAPTER 11 CASES (THE “CHAPTER 11 CASES”), ARE MADE ONLY AS OF THE DATE HEREOF, AND THERE CAN BE NO ASSURANCE THAT THE STATEMENTS CONTAINED HEREIN WILL BE CORRECT AT ANY TIME AFTER SUCH DATE. THE DELIVERY OF THE SPECIFIC DISCLOSURE STATEMENT AFTER THE DATE HEREOF DOES NOT IMPLY THAT THERE HAS BEEN NO CHANGE IN INFORMATION SET FORTH HEREIN. THE PLAN PROPONENTS HAVE NO DUTY TO UPDATE THE SPECIFIC DISCLOSURE STATEMENT UNLESS OTHERWISE ORDERED TO DO SO BY THE BANKRUPTCY COURT. THIS SPECIFIC DISCLOSURE STATEMENT SUPERSEDES ALL PRIOR SPECIFIC DISCLOSURE STATEMENTS FILED BY ANY OF THE PLAN PROPONENTS.

THE PLAN IS A JOINT PLAN FOR ALL OF THE DEBTORS PREMISED ON THE COMBINATION OF THE ASSETS OF THE INC. DEBTORS (EXCLUDING EACH REORGANIZED INC. ENTITY’S TAX ATTRIBUTES AND DIRECT OR INDIRECT EQUITY INTERESTS IN ONE DOT FOUR CORP., SKYTERRA ROLLUP LLC, SKYTERRA ROLLUP SUB LLC, TMI COMMUNICATIONS DELAWARE, LIMITED PARTNERSHIP, LIGHTSQUARED INVESTORS HOLDINGS INC. AND SKYTERRA INVESTORS LLC, WHICH SHALL BE REINSTATED AND RETAINED BY SUCH REORGANIZED INC. ENTITIES) WITH AND INTO LIGHTSQUARED LP IN CONSIDERATION FOR NEW LIGHTSQUARED DISTRIBUTING CERTAIN CONSIDERATION.

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Plan.

THE SPECIFIC DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN. PLEASE READ THIS DOCUMENT WITH CARE. THE PURPOSE OF THE SPECIFIC DISCLOSURE STATEMENT, TAKEN TOGETHER WITH THE FIRST AMENDED GENERAL DISCLOSURE STATEMENT [DOCKET NO. 918] (AS MAY BE AMENDED OR SUPPLEMENTED, THE “GENERAL DISCLOSURE STATEMENT” AND, TOGETHER WITH THE SPECIFIC DISCLOSURE STATEMENT, THE “DISCLOSURE STATEMENT”), IS TO PROVIDE “ADEQUATE INFORMATION” OF A KIND, AND IN SUFFICIENT DETAIL, AS FAR AS IS REASONABLY PRACTICABLE IN LIGHT OF THE NATURE AND HISTORY OF LIGHTSQUARED AND THE CONDITION OF LIGHTSQUARED’S BOOKS AND RECORDS, THAT WOULD ENABLE A HYPOTHETICAL, REASONABLE INVESTOR TYPICAL OF HOLDERS OF CLAIMS OR EQUITY INTERESTS OF THE RELEVANT CLASS TO MAKE AN INFORMED JUDGMENT CONCERNING THE PLAN. SEE 11 U.S.C. § 1125(a).

THE PURPOSE OF THE SPECIFIC DISCLOSURE STATEMENT IS TO PROVIDE (A) INFORMATION CONCERNING THE PLAN, (B) INFORMATION FOR HOLDERS OF CLAIMS OR EQUITY INTERESTS REGARDING THEIR TREATMENT UNDER THE PLAN, AND (C) INFORMATION TO ASSIST THE BANKRUPTCY COURT IN DETERMINING WHETHER THE PLAN COMPLIES WITH THE PROVISIONS OF CHAPTER 11 OF TITLE 11 OF THE UNITED STATES CODE, 11 U.S.C. §§ 101–1532 (AS AMENDED, THE “BANKRUPTCY CODE”), AND SHOULD BE CONFIRMED.

FOR THE CONVENIENCE OF HOLDERS OF CLAIMS OR EQUITY INTERESTS, THE SPECIFIC DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN. PLAN SUMMARIES AND STATEMENTS MADE IN THE SPECIFIC DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, OTHER EXHIBITS ATTACHED TO THE PLAN, AND THE PLAN SUPPLEMENT. IF ANY INCONSISTENCY EXISTS AMONG THE PLAN, THE GENERAL DISCLOSURE STATEMENT, AND THE SPECIFIC DISCLOSURE STATEMENT, THE TERMS OF THE PLAN ARE CONTROLLING.

EXCEPT AS OTHERWISE STATED IN THIS SPECIFIC DISCLOSURE STATEMENT, HOLDERS OF CLAIMS OR EQUITY INTERESTS SHOULD REFER TO THE GENERAL DISCLOSURE STATEMENT FOR RELEVANT INFORMATION REGARDING THE HISTORY OF LIGHTSQUARED, ITS BUSINESSES, EVENTS IN THE RESTRUCTURING OF LIGHTSQUARED, PROCEDURES REGARDING THE SOLICITATION AND CONFIRMATION OF THE PLAN, AND THE CHAPTER 11 CASES.

NO REPRESENTATIONS CONCERNING LIGHTSQUARED’S FINANCIAL CONDITION OR ANY ASPECT OF THE PLAN ARE AUTHORIZED BY LIGHTSQUARED OTHER THAN AS SET FORTH IN THE DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS). ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE OR REJECTION OF THE PLAN OTHER THAN AS CONTAINED IN, OR INCLUDED WITH, THE DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND

OTHER ACCOMPANYING DOCUMENTS) SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION.

ALL HOLDERS OF CLAIMS OR EQUITY INTERESTS ARE ADVISED AND ENCOURAGED TO READ THE GENERAL AND SPECIFIC DISCLOSURE STATEMENTS (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS) AND THE PLAN IN THEIR ENTIRETY. ALL HOLDERS OF CLAIMS OR EQUITY INTERESTS ENTITLED TO VOTE ON THE PLAN SHOULD READ CAREFULLY AND CONSIDER FULLY THE “PLAN-RELATED RISK FACTORS TO CONFIRMING AND CONSUMMATING PLAN” SECTION HEREOF BEFORE VOTING FOR OR AGAINST THE PLAN. **SEE ARTICLE V HEREOF, “PLAN-RELATED RISK FACTORS TO CONFIRMING AND CONSUMMATING PLAN.”**

THE DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND RULE 3016(B) OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER NON-BANKRUPTCY LAW. PERSONS OR ENTITIES TRADING IN, OR OTHERWISE PURCHASING, SELLING, OR TRANSFERRING SECURITIES OF LIGHTSQUARED, IF ANY, SHOULD NOT RELY UPON THE DISCLOSURE STATEMENT FOR SUCH PURPOSES AND SHOULD EVALUATE THE DISCLOSURE STATEMENT AND THE PLAN IN LIGHT OF THE PURPOSE FOR WHICH THEY WERE PREPARED.

THE DISCLOSURE STATEMENT HAS NOT BEEN REVIEWED, APPROVED, OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE “SEC”), AND THE SEC HAS NOT PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE. NEITHER THE SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN NOR THE DISCLOSURE STATEMENT CONSTITUTES AN OFFER TO SELL, OR THE SOLICITATION OF AN OFFER TO BUY, SECURITIES IN ANY STATE OR JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED.

THE SPECIFIC DISCLOSURE STATEMENT SUMMARIZES CERTAIN PROVISIONS OF THE PLAN, STATUTORY PROVISIONS, DOCUMENTS RELATING TO THE PLAN, AND FINANCIAL INFORMATION. ALTHOUGH THE PLAN PROPONENTS BELIEVE THAT THE PLAN AND RELATED DOCUMENT SUMMARIES ARE FAIR AND ACCURATE, SUCH SUMMARIES ARE QUALIFIED TO THE EXTENT THAT THEY DO NOT SET FORTH THE ENTIRE TEXT OF SUCH DOCUMENTS OR STATUTORY PROVISIONS. FACTUAL INFORMATION CONTAINED IN THE SPECIFIC DISCLOSURE STATEMENT HAS BEEN PROVIDED BY LIGHTSQUARED’S MANAGEMENT EXCEPT WHERE OTHERWISE SPECIFICALLY NOTED. THE PLAN PROPONENTS ARE UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN, INCLUDING THE FINANCIAL INFORMATION, IS WITHOUT INACCURACY OR OMISSION.

THE PLAN CONTAINS CERTAIN RELEASE, INJUNCTION, AND EXCULPATION PROVISIONS. **SEE ARTICLE VIII OF THE PLAN, “SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS.”**

THE INFORMATION CONTAINED IN THE SPECIFIC DISCLOSURE STATEMENT IS INCLUDED HEREIN FOR PURPOSES OF SOLICITING ACCEPTANCES, AND CONFIRMATION, OF THE PLAN AND MAY NOT BE RELIED UPON FOR ANY OTHER PURPOSE THAN TO DETERMINE HOW TO VOTE ON THE PLAN. HOLDERS OF CLAIMS OR EQUITY INTERESTS ENTITLED TO VOTE ON THE PLAN MUST RELY ON THEIR OWN EVALUATIONS OF LIGHTSQUARED AND THEIR OWN ANALYSES OF THE TERMS OF THE PLAN, INCLUDING, WITHOUT LIMITATION, ANY RISK FACTORS CITED HEREIN, IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN. THE DESCRIPTIONS SET FORTH HEREIN OF THE ACTIONS, CONCLUSIONS, OR RECOMMENDATIONS OF LIGHTSQUARED OR ANY OTHER PARTY IN INTEREST HAVE BEEN SUBMITTED TO, OR APPROVED BY, SUCH PARTY, BUT NO SUCH PARTY MAKES ANY REPRESENTATION REGARDING SUCH DESCRIPTIONS. NOTHING CONTAINED IN THE SPECIFIC DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS) SHALL CONSTITUTE, OR BE CONSTRUED AS, AN ADMISSION OF ANY FACT, LIABILITY, STIPULATION, OR WAIVER, AND FOR PURPOSES OF ANY CONTESTED MATTER, ADVERSARY PROCEEDING, OR OTHER PENDING OR THREATENED ACTION, THE CONTENTS HEREOF SHALL CONSTITUTE STATEMENTS MADE IN FURTHERANCE OF SETTLEMENT NEGOTIATIONS AND SHALL BE SUBJECT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND ANY SIMILAR RULE OR STATUTE. THE SPECIFIC DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS) SHALL NOT BE ADMISSIBLE IN ANY PROCEEDING (OTHER THAN THE CHAPTER 11 CASES) INVOLVING LIGHTSQUARED OR ANY OTHER PARTY, NOR SHALL IT BE CONSTRUED TO BE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, LIGHTSQUARED. EACH HOLDER OF A CLAIM OR EQUITY INTEREST SHOULD CONSULT ITS OWN COUNSEL OR TAX ADVISOR ON ANY QUESTIONS OR CONCERNS RESPECTING TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE PLAN ON HOLDERS OF CLAIMS OR EQUITY INTERESTS.

TAX DISCUSSIONS CONTAINED IN THE SPECIFIC DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS) ARE NOT INTENDED OR WRITTEN TO BE USED BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE TAX CODE. TAX DISCUSSIONS CONTAINED IN THE SPECIFIC DISCLOSURE STATEMENT (INCLUDING ALL EXHIBITS, ATTACHMENTS, AND OTHER ACCOMPANYING DOCUMENTS) ARE WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THE SPECIFIC DISCLOSURE STATEMENT. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

THE PLAN PROPONENTS PRESENTLY INTEND TO CONSUMMATE THE PLAN AS PROMPTLY AS POSSIBLE. THERE CAN BE NO ASSURANCE, HOWEVER, AS TO WHEN AND WHETHER CONFIRMATION OF THE PLAN AND THE EFFECTIVE DATE OF THE PLAN ACTUALLY WILL OCCUR. PROCEDURES FOR DISTRIBUTIONS UNDER THE PLAN, INCLUDING MATTERS THAT ARE EXPECTED TO AFFECT THE TIMING OF THE RECEIPT OF DISTRIBUTIONS BY HOLDERS OF CLAIMS OR EQUITY INTERESTS IN CERTAIN CLASSES AND THAT COULD AFFECT THE AMOUNT OF DISTRIBUTIONS ULTIMATELY RECEIVED BY SUCH HOLDERS, ARE DESCRIBED IN THE PLAN.

THE PLAN PROPONENTS URGE ALL HOLDERS OF CLAIMS OR EQUITY INTERESTS ENTITLED TO VOTE ON THE PLAN TO VOTE TO ACCEPT THE PLAN.

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EXHIBITS

Exhibit A Joint Plan Pursuant to Chapter 11 of Bankruptcy Code

Exhibit B Projections

Exhibit C Liquidation Analysis/Comparison

ARTICLE I INTRODUCTION

The Plan Proponents hereby submit this Specific Disclosure Statement in connection with the (a) solicitation of votes to accept or reject the Plan and (b) hearing to consider confirmation of the Plan.

The purpose of the Specific Disclosure Statement is to set forth certain information specific to the Plan concerning, among other things, the (a) terms, provisions, and implications of the Plan and (b) holders of Claims against, and Equity Interests in, the Debtors (collectively, the “Holders”) and their rights under the Plan. The Specific Disclosure Statement does **not** contain disclosures that are by their nature generally applicable to any chapter 11 plan that may be proposed in the Chapter 11 Cases. Such generally applicable disclosures are set forth in the General Disclosure Statement, which provides, among other things, information concerning the history of LightSquared, a description of its businesses, operations, and capital structure, events leading up to the Chapter 11 Cases and the proceedings before the Canadian Court, and significant events occurring in the Chapter 11 Cases (as supplemented hereby).

Altogether, the Disclosure Statement provides certain information, as required under section 1125 of the Bankruptcy Code, to the Holders who will have the right to vote on the Plan, so that such Holders can make informed decisions in doing so. While the Specific Disclosure Statement includes a summary of the terms of the Plan for the convenience of the Holders, such summary is qualified in its entirety by reference to the Plan.³

Accordingly, for a complete understanding of the Plan, the Holders who have the right to vote on the Plan are advised and encouraged to read, **in their entirety**, the Plan, the Specific Disclosure Statement, and the General Disclosure Statement.

A. Overview of Plan

1. Path to Value-Maximizing Transaction

The Debtors have consistently expressed their view that resolution of the pending FCC proceedings will maximize the value of the Debtors’ Assets and, accordingly, the Debtors continue their efforts with the FCC and other federal agencies in seeking approval of their pending license modification applications and related proceedings before the FCC. A detailed description of LightSquared’s restructuring efforts, including its attempts to resolve the pending FCC proceedings, is provided in Article III.F of the General Disclosure Statement, entitled “**Restructuring Efforts.**” A detailed description of the current status of the FCC process is provided in Article III.F.1 of the General Disclosure Statement, entitled “**Current Status of FCC Process.**”

³ If any inconsistency exists between (a) the Plan, on the one hand, and (b) the Specific Disclosure Statement or the General Disclosure Statement (or both), on the other hand, the terms of the Plan control. If any inconsistency exists between the Specific Disclosure Statement and the General Disclosure Statement, the Specific Disclosure Statement shall control.

As described further herein, the Plan Support Parties, which include substantially all key stakeholders in these Chapter 11 Cases, have worked closely to formulate a consensual means by which the Debtors may exit chapter 11 in an expeditious and efficient manner. Although numerous economic and legal obstacles, coupled with significant intercreditor disputes, stymied previous restructuring proposals, the Plan Support Parties have now reached agreement on a global reorganization transaction embodied in the Plan that provides a path for the Debtors to emerge from chapter 11. The Plan is the culmination of months of mediation and the Plan Support Parties' vigorous efforts and reflects a consensus among almost all parties in interest in the Chapter 11 Cases. The Plan Support Parties believe that the Plan is the best means currently available of achieving as much consensus as may be possible and maximizing value.

2. Path to Plan

a. Sale Process Efforts and Related Plans

During the early stages of the Chapter 11 Cases, in light of the ongoing FCC process and surrounding circumstances, the Debtors and other parties in interest undertook efforts to protect, preserve, and maximize the value of the Debtors' Assets through the filing of chapter 11 plans that contemplated a sale of the Estates' Assets. Specifically, on July 23, 2013, the LP Group filed a plan (the "LP Sale Plan") and related disclosure statement for the LP Debtors only, premised on the sale (the "LP Sale") of substantially all of the LP Debtors' Assets through a Bankruptcy Court-approved sale process [Docket Nos. 764 and 765]. L-Band Acquisition, LLC ("LBAC"), a wholly owned subsidiary of DISH Network Corporation ("DISH"), entered into an asset purchase agreement and plan support agreement (the "LBAC PSA"), pursuant to which LBAC served as the stalking horse bidder for the LP Sale with a bid of \$2.22 billion in cash *plus* the assumption of certain material liabilities (the "LBAC Bid"). Notably, the funding of the cash portion of the purchase price was not conditioned on approval by the FCC or Industry Canada. The LBAC Bid was subject to the submission of higher or otherwise better bids at an auction (the "Auction") pursuant to Bankruptcy Court-approved bid procedures [Docket No. 892].

Thereafter, on August 30, 2013, LightSquared filed the *Debtors' Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 817] and subsequently filed on October 7, 2013, and commenced the solicitation of votes for, the *Debtors' First Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 919] (the "Debtors' First Amended Plan") that, among other things, contemplated the sale of substantially all of the Debtors' Assets. The Debtors' First Amended Plan provided for a sale of the Assets of all of the Debtors (*i.e.*, the LP Debtors and the Inc. Debtors) and was not backed by a stalking horse bid.

Also on August 30, 2013, MAST and U.S. Bank National Association ("U.S. Bank") filed the *Chapter 11 Plan for One Dot Six Corp. Proposed by U.S. Bank National Association and MAST Capital Management, LLC* [Docket No. 823] (as amended, modified, or supplemented, the "One Dot Six Plan") that, among other things, contemplated the sale of One Dot Six Corp.'s Assets (the "One Dot Six Assets") through the Auction process. MAST Spectrum Acquisition Company LLC ("MSAC"), an entity formed by MAST, served as the stalking horse bidder for certain of the One Dot Six Assets with a bid consisting of (i) a credit bid of all of MAST's claims under the Inc. DIP Facility and \$1 of its claims under the Prepetition Inc. Facility and (ii) cash sufficient to pay in full all classes of claims receiving such treatment

under the One Dot Six Plan. Under the One Dot Six Plan, the proceeds of the sale of the One Dot Six Assets were to be distributed to Holders of Claims against One Dot Six Corp.

As discussed in Article III.G of the General Disclosure Statement, entitled “**Special Committee**,” on September 16, 17, and 27, 2013, LightSquared’s board of directors appointed the Special Committee to, among other things, (i) oversee the potential sale of LightSquared’s Assets in connection with any auction and sale process and (ii) evaluate potential restructuring plans or plans of reorganization filed by LightSquared or any other parties. In particular, the Special Committee was charged with weighing all of LightSquared’s options for exiting chapter 11.

With the principal aim of maximizing value for all of LightSquared’s stakeholders, LightSquared and its advisors vigorously marketed, and solicited bids for, all of LightSquared’s Assets. In connection therewith, LightSquared and its advisors contacted approximately ninety (90) potential bidders, provided public information with respect to LightSquared to forty (40) such potential bidders, and, ultimately, signed nondisclosure agreements with seven (7) potential bidders. After engaging in such sale process and thoroughly marketing its Assets, however, LightSquared determined that an auction was not the appropriate forum to render a value-maximizing result for LightSquared’s Estates. Indeed, there was limited interest in the Auction, and LightSquared ultimately only received conditional bids from parties already highly involved in the Chapter 11 Cases. Since no qualified bids were received from third parties outside of LightSquared’s capital structure, after multiple adjournments of the Auction, LightSquared, at the direction of the Special Committee, ultimately determined not to hold the Bankruptcy Court-scheduled Auction for any of the Debtors’ Assets [Docket Nos. 1086 and 1108].

Following the cancellation of the Auction for the One Dot Six Assets, on December 31, 2014, U.S. Bank and MAST filed the *Notice of Successful Bidder Under One Dot Six Plan for One Dot Six Assets* [Docket No. 1165], which designated MSAC as the winning bidder for the One Dot Six Assets and gave notice that U.S. Bank and MAST intended to seek approval of the sale of the One Dot Six Assets to MSAC and pursue confirmation of the One Dot Six Plan.

Following the cancellation of the Auction for the LP Debtors’ Assets, on January 7, 2014, counsel for DISH and LBAC sent counsel for the LP Group a letter terminating the LBAC PSA, effective January 10, 2014, pursuant to Section 6.1(f)(1) of the LBAC PSA for failure to achieve certain contractual milestones. LBAC also subsequently purported to terminate the LBAC Bid. On January 13, 2014, the LP Group filed a statement challenging LBAC’s termination of the LBAC Bid [Docket No. 1220]. On January 22, 2014, the Bankruptcy Court issued a ruling finding that the LBAC PSA and the LBAC Bid were lawfully terminated by LBAC. The LP Group has reserved its rights regarding this matter in all respects.

b. Debtors’ Second Amended Plan

Although LightSquared did not receive any other qualified bids for its Assets, third parties expressed to LightSquared an interest in providing it with new debt financing and equity investments to further a reorganization. LightSquared and its advisors, at the direction of the Special Committee, worked with such third parties over the course of two (2) months to develop an alternative plan of reorganization based on new financing and equity investments, subject to

receipt of regulatory approvals, execution and delivery of commitment letters and definitive documentation, and satisfaction of various conditions.

As a result of such developments, LightSquared, at the direction of the Special Committee, modified and supplemented the Debtors' First Amended Plan. LightSquared initially filed, on December 24, 2013, the *Debtors' Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 1133] and subsequently filed, on December 31, 2013, the *Debtors' Revised Second Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 1166] (the "Debtors' Second Amended Plan") that contemplated a series of reorganization transactions.

c. Debtors' Third Amended Plan, Ergen Adversary Proceeding, and Related Bankruptcy Court Rulings

(i) Debtors' Third Amended Plan

After the filing of the Debtors' Second Amended Plan and the termination of the LBAC Bid, LightSquared, at the direction of the Special Committee, and the parties sponsoring such plan discussed modifications to the Debtors' Second Amended Plan to garner as much support as possible for LightSquared's reorganization. These discussions led to the filing of the *Debtors' Third Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. 1482] (as modified or supplemented, the "Debtors' Third Amended Plan").

The Debtors' Third Amended Plan contemplated, among other things, raising over \$1.65 billion in new debtor in possession financing and at least \$1 billion in first lien exit financing, which would be used to satisfy certain claims against LightSquared and fund LightSquared's reorganization efforts. In addition, under the Debtors' Third Amended Plan, the reorganized Debtors were to issue various new debt and equity interests to satisfy certain Claims against, and Equity Interests in, the Debtors. The Debtors' Third Amended Plan was not conditioned on LightSquared's receipt of a series of FCC and related regulatory approvals with respect to terrestrial spectrum rights (e.g., the grant of the License Modification Application). Under the Debtors' Third Amended Plan, the regulatory conditions precedent were filings with, and approvals by, the FCC, Industry Canada, and other applicable governmental authorities (and the expiry of statutory waiting periods, including under the *Hart-Scott-Rodino Antitrust Improvements Act of 1976* and the *Competition Act* (Canada)) that would be necessary for LightSquared to emerge from chapter 11.

(ii) Confirmation and Related Hearings, Ergen Adversary Proceeding, and Bankruptcy Court Rulings

The Bankruptcy Court considered confirmation of the Debtors Third Amended Plan in tandem with the Ergen Adversary Proceeding and related litigation. As discussed in Article III.D.3 of the General Disclosure Statement, in the Ergen Adversary Proceeding, Harbinger and LightSquared (with the support of the LP Group) sought certain relief against Ergen, EchoStar Corporation ("EchoStar"), DISH, and SPSO (collectively, the "Ergen Defendants") relating to such defendants' alleged conduct (A) with respect to acquiring

Prepetition LP Facility Claims, (B) throughout the Chapter 11 Cases, and (C) in connection with LightSquared's restructuring efforts.

Beginning on January 9, 2014, the Bankruptcy Court held a trial on the Ergen Adversary Proceeding. The evidentiary portion of such trial took place over a five (5)-day period and, following post-trial briefing, concluded with closing arguments on March 17, 2014. On May 8, 2014, the Bankruptcy Court issued a bench ruling, finding, among other things, that SPSO engaged in misconduct warranting equitable subordination of its Claim under section 510(c) of the Bankruptcy Code in an amount to be determined in a separate hearing. The bench ruling was subsequently issued in publication form on June 10, 2014 [Adv. Proc. Docket No. 165] (the "Ergen Adversary Decision"). Between June 19, 2014 and June 24, 2014, Harbinger, the Ergen Parties, LightSquared, and the LP Group each filed notices of appeal with respect to the Ergen Adversary Decision [Adv. Proc. Docket Nos. 166, 170, 171, and 172], but subsequently agreed to stay the briefing on such appeals pending further developments in the Chapter 11 Cases. Such appeals are currently pending before the United States District Court for the Southern District of New York. LightSquared also filed and prosecuted *LightSquared's Motion for Entry of Order Designating Vote of SP Special Opportunities, LLC* [Docket No. 1371] (the "Designation Motion"), which sought entry of an order, pursuant to section 1126(e) of the Bankruptcy Code, designating the vote of SPSO to reject the Debtors' Third Amended Plan.

On March 19, 2014, the Bankruptcy Court commenced the confirmation hearing for the Debtors' Third Amended Plan. The evidentiary portion of such hearing concluded on March 31, 2014, and closing arguments took place on May 5 and 6, 2014. On May 8, 2014, the Bankruptcy Court (A) issued a bench decision denying confirmation of the Debtors' Third Amended Plan and the Designation Motion, (B) directed that the parties work to reach a consensual resolution on a reorganization path, taking into account the Bankruptcy Court's findings with respect to both plan confirmation and the Ergen Adversary Proceeding, and (C) imposed a deadline of May 27, 2014 to reach any such resolution, absent which the Bankruptcy Court would appoint a mediator. The bench ruling was subsequently issued in publication form on July 11, 2014 [Docket No. 1631] (the "Confirmation Decision").

The Bankruptcy Court held a status conference on May 27, 2014, at which time the parties informed the Bankruptcy Court that no resolution had been reached. Accordingly, on May 28, 2014, the Bankruptcy Court entered an order appointing as mediator the Honorable Robert D. Drain, United States Bankruptcy Judge for the Southern District of New York, to mediate any issues concerning, among other items, the terms of a chapter 11 plan or plans for the Debtors [Docket No. 1557] (the "Mediation Order").

d. Initial Mediation

Pursuant to the Mediation Order, Judge Drain conducted mediation sessions on June 9, 17, and 23, 2014. LightSquared, its key stakeholders, certain third parties, and each of their advisors participated in the mediation sessions, which focused on the key terms and issues underlying a potential global chapter 11 plan. Judge Drain and LightSquared also engaged the parties in numerous external discussions during this period.

On June 27, 2014, Judge Drain filed the *Mediator's Memorandum Under ¶¶ 14 and 15 of Mediation Order* [Docket No. 1612] (the "Mediator's Memorandum"), reporting, among other things, that, with the exception of SPSO, all parties to the mediation had reached agreement on key business terms that would form the basis of a new plan of reorganization. In the days following the Mediator's Memorandum, the parties continued to negotiate and refine the terms of their agreement with the goal of developing a chapter 11 plan that could be confirmed without the need for a lengthy confirmation hearing.

On July 14, 2014, Judge Drain filed the *Mediator's Supplemental Memorandum Under ¶¶ 14 and 15 of Mediation Order* [Docket No. 1640] (the "Mediator's Supplemental Memorandum"), stating that an agreement had been reached on the "key terms of SPSO/Ergen's treatment under a chapter 11 plan as well as new funding that is fundamentally consistent with the consensual plan terms previously negotiated by the other parties." (Mediator's Supplemental Memorandum at 2.) At a status conference held on July 14, 2014, LightSquared detailed the terms of such agreement and agreed to file a plan and disclosure statement by July 21, 2014.

Notwithstanding LightSquared's and all of the mediation parties' good faith efforts to negotiate and file a consensual plan by this time, the agreement reached during the initial mediation phase did not materialize into a chapter 11 plan. Thereafter, various competing plans and related pleadings were filed, as detailed below.

e. Competing Plans, Related Documents, and Continued Mediation

(i) Initial Joint Plan

On August 7, 2014, the Debtors and the LP Group filed the *Joint Plan Pursuant to Chapter 11 of Bankruptcy Code Proposed by Debtors and Ad Hoc Secured Group of LightSquared LP Lenders* [Docket No. 1686] (the "Joint Plan") and *Specific Disclosure Statement For Joint Plan Pursuant to Chapter 11 of Bankruptcy Code Proposed by Debtors and Ad Hoc Secured Group of LightSquared LP Lenders* [Docket No. 1689]. While the Joint Plan provided for the combined reorganization of the LP Debtor and the Inc. Debtor Estates, the Joint Plan also provided that if the Holders of Inc. Facility Non-Subordinated Claims voted to reject the Joint Plan, then the Joint Plan would be withdrawn with respect to all of the Inc. Debtors and only be prosecuted with respect to the LP Debtors.

At a status conference held on August 11, 2014, in response to certain statements by counsel for the Holders of Inc. Facility Non-Subordinated Claims that such Holders would not vote in favor of the Joint Plan, the Bankruptcy Court directed the proponents of the Joint Plan to file a version of the Joint Plan that provided for a reorganization of the LP Debtors only. As such, on August 15, 2014, the Debtors and the LP Group filed the *Notice of Filing of Exhibit to Joint Plan Pursuant to Chapter 11 of Bankruptcy Code Proposed by Debtors and Ad Hoc Secured Group of LightSquared LP Lenders* [Docket No. 1710], which included, as an exhibit, a plan of reorganization for the LP Debtors only (the "LP-Only Plan"). Subsequently, on August 26, 2014, the Debtors and the LP Group filed the *First Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code Proposed by Debtors and Ad Hoc Secured Group of LightSquared LP*

Lenders [Docket No. 1728] (the “First Amended Joint Plan”) which included, as an exhibit, an amended LP-Only Plan (the “Amended LP-Only Plan”).⁴

(ii) *Harbinger and MAST Plans; Estimation Motion*

On August 11, 2014, Harbinger filed *Harbinger Capital Partners LLC’s Joint Plan of Reorganization for the Inc. Debtors Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 1696] (the “Harbinger Inc. Plan”), which provided for the reorganization of the Inc. Debtors only. The Harbinger Inc. Plan included as a condition precedent to confirmation thereof that LP Facility Guaranty Claims against the relevant Inc. Debtors be expunged or estimated at zero.

On August 19, 2014, the Prepetition Inc. Agent and MAST filed the *Second Amended Chapter 11 Plan for One Dot Six Corp. Proposed by U.S. Bank National Association and MAST Capital Management, LLC* [Docket No. 1714] (the “Amended One Dot Six Plan”).

On September 11, 2014, Harbinger filed *Harbinger Capital Partners LLC’s First Amended Joint Plan of Reorganization for the Inc. Debtors Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 1745] (the “First Amended Harbinger Inc. Plan”). The First Amended Harbinger Inc. Plan included, as an exhibit thereto, a plan support agreement (the “Inc. PSA”) entered into among Harbinger, MAST, U.S. Bank, SIG, J.P. Morgan Securities LLC, with respect to only its Credit Trading Group, and Chase Lincoln First Commercial Corporation, with respect to only its Credit Trading Group, pursuant to which the parties thereto agreed to, among other things, (A) support the First Amended Harbinger Inc. Plan and (B) refrain from taking any action inconsistent with obtaining confirmation of the First Amended Harbinger Inc. Plan, subject to the terms of the Inc. PSA. The Inc. PSA provided for a Termination Event (as defined therein) if the First Amended Harbinger Inc. Plan was not confirmed by November 15, 2014.⁵

Following MAST’s entry into the Inc. PSA, on September 12, 2014, MAST filed the *Notice of Adjournment of Hearing to Consider Confirmation of Second Amended Chapter 11 Plan for One Dot Six Corp. Proposed by U.S. Bank National Association and MAST Capital Management, LLC* [Docket No. 1746], which stated that the hearing to consider confirmation of the Amended One Dot Six Plan would be adjourned to a date to be determined, but no earlier than November 15, 2014.

Facing the several competing plans, and at the urging of the Bankruptcy Court, the parties agreed to continue mediation efforts to determine if there was a consensual path forward, including one that would keep the Inc. Debtors and LP Debtors together as a combined reorganized enterprise. In that regard, the parties agreed to attend a mediation session with Judge Drain on September 15, 2014.

On September 16, 2014, in connection with the First Amended Harbinger Inc. Plan and the condition precedent to confirmation contained therein regarding the LP Facility Guaranty Claims, Harbinger filed the *Notice of Motion and Harbinger’s Motion To (A) Expunge the*

⁴ As discussed below, subsequent to the filing of the First Amended Joint Plan, MAST voted to reject the First Amended Joint Plan, which resulted in the withdrawal of the First Amended Joint Plan with respect to the Inc. Debtors.

⁵ As discussed further below, the Inc. PSA is now terminated pursuant to its terms.

Guaranty Claim Asserted by the LP Lenders (Claim No. 56) or, in the Alternative, (B) Estimate the Guaranty Claim at Zero Pursuant to 11 U.S.C. § 502(c) [Docket No. 1752] (the “Estimation Motion”). In the Estimation Motion, Harbinger argued that the Prepetition LP Lenders’ guaranty claims against LightSquared Inc. and other Inc. Debtor guarantors should be expunged because (A) the primary obligor should exercise its duty to discharge these Claims, (B) the value of the Assets of the LP Debtors exceeds the amount of the Prepetition LP Lenders’ Claims, and (C) confirmation of a plan for the LP Debtors will discharge the Inc. Debtors from any liability under such claims. Harbinger additionally argued, in the alternative, that the Prepetition LP Lenders’ guaranty claims should have been estimated at zero because (Y) the Bankruptcy Court has broad powers to estimate such claims at zero and (Z) such claims are unliquidated and contingent claims that are capable of estimation.

On September 29, 2014, Harbinger filed *Harbinger Capital Partners LLC’s Second Amended Joint Plan of Reorganization for the Inc. Debtors Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 1780] (the “Second Amended Harbinger Inc. Plan”).

On October 7, 2014, the LP Group filed the *Ad Hoc Secured Group of LightSquared LP Lenders’ Objection to Harbinger’s Motion To (A) Expunge the Guaranty Claim Asserted by the LP Lenders (Claim No. 56) or, in the Alternative, (B) Estimate the Guaranty Claim at Zero Pursuant to 11 U.S.C. § 502(C)* [Docket No. 1814], arguing, among other things, that (A) the Prepetition LP Lenders’ guaranty claims are not subject to estimation, (B) there is no plan to pay the Prepetition LP Lenders anything if the Harbinger Inc. Plan is confirmed, (C) the Prepetition LP Lenders are entitled to assert the guaranty claims in full against the Inc. Debtor guarantors, (D) Harbinger’s speculation regarding a full Prepetition LP Lender recovery in the future provides no grounds for expunging the guaranty claims, and (E) appropriate safeguards exist to prevent the Prepetition LP Lenders from receiving a windfall, including the Inc. Debtor guarantors’ subrogation rights.

On October 8, 2014, the LP Group also filed the *Ad Hoc Secured Group of LightSquared LP Lenders’ Objection to (I) Harbinger Capital Partners LLC’s Second Amended Joint Plan of Reorganization for the Inc. Debtors Pursuant to Chapter 11 of the Bankruptcy Code and (II) Specific Disclosure Statement for the Joint Plan of Reorganization for LightSquared Inc. and Its Subsidiaries Proposed by Harbinger Capital Partners, LLC* [Docket No. 1825], arguing, among other things, that (A) the Second Amended Harbinger Inc. Plan is unconfirmable on its face because its condition precedent to confirmation related to the Estimation Motion cannot be met, (B) the Second Amended Harbinger Inc. Plan does not properly treat the Prepetition LP Lenders’ guaranty claims despite offering them recovery given that Holders of such claims are not classified or given the right to vote, (C) Harbinger lacks standing to file the Second Amended Harbinger Inc. Plan with respect to LightSquared Investors Holdings Inc. and TMI Communications Delaware, Limited Partnership, (D) the Second Amended Harbinger Inc. Plan was not proposed in good faith, (E) the Second Amended Harbinger Inc. Plan is not feasible, and (F) the Plan should be confirmed over the Second Amended Harbinger Inc. Plan.

The Debtors took no position on the confirmability of the Second Amended Harbinger Inc. Plan or the merits of the Estimation Motion.

(iii) *Amendment of First Amended Joint Plan*

Subsequent to filing the First Amended Joint Plan, MAST voted to reject the First Amended Joint Plan thereby resulting in the withdrawal of the First Amended Joint Plan with respect to the Inc. Debtors. In response, the LP Group determined that it would not proceed with the version of the Joint Plan that reorganized only the LP Debtors and that would, therefore, split the Inc. and LP estates.

On October 1, 2014, the LP Group (after having advised the Debtors and the Special Committee of its contents) filed the *Notice of the Ad Hoc Secured Group of LightSquared LP Lenders' Intent To (I) Amend the First Amended Joint Plan Pursuant to Chapter 11 of Bankruptcy Code Proposed by Debtors and Ad Hoc Secured Group of LightSquared LP Lenders (the "Joint Plan"); (II) Withdraw the First Amended Joint Plan of LP Debtors Only Pursuant to Chapter 11 of Bankruptcy Code Proposed by LP Debtors and Ad Hoc Secured Group of LightSquared LP Lenders; and (III) Adjourn the Confirmation Hearing on the Joint Plan, as it Will Be Amended* [Docket No. 1788] (the "Notice of Intent To Amend Plan"). In the Notice of Intent To Amend Plan, the LP Group (A) expressed its belief that a plan of reorganization that keeps the Inc. Debtors' and the LP Debtors' Estates together as a joint enterprise is likely the best way to maximize value and/or reduce execution risk for all stakeholders and (B) provided notice of its intent to make substantive amendments to the First Amended Joint Plan and eliminate the option that would sever the Inc. Debtors from the First Amended Joint Plan.

On October 6, 2014, the LP Group filed the *Notice of Filing of Term Sheet Regarding Plan Amendments* [Docket No. 1803], which included, as an exhibit thereto, a term sheet for proposed amendments to the First Amended Joint Plan. That same day, LightSquared and its Special Committee filed a statement in which they, among other things, emphasized LightSquared's view of the importance and benefits of executing a combined estates transaction and identified certain of the material issues that LightSquared believed would be created with alternative transactions that severed the Estates [Docket No. 1801]. Following such filings, the Bankruptcy Court held a status conference on October 6, 2014. At the conclusion of the status conference, the Bankruptcy Court ordered all of the parties, including each of the parties to the Inc. PSA, to continue mediation before Judge Drain.

(iv) *Estimation Motion Decision*

Recognizing that resolution of the Estimation Motion was a predicate issue to confirmation of the Second Amended Harbinger Inc. Plan, the parties presented their legal arguments regarding the Estimation Motion at a hearing held on October 27, 2014.

On October 30, 2014, the Bankruptcy Court issued a ruling denying the Estimation Motion [Docket No. 1898] (the "Estimation Decision"). The Bankruptcy Court found that the Prepetition LP Lenders' guaranty claims are neither contingent nor unliquidated for estimation purposes. The Bankruptcy Court also found that, prior to actual satisfaction of the Prepetition LP Lenders' Claims under a confirmed/consummated plan or otherwise, the Prepetition LP Lenders' guaranty claim will remain intact and cannot be expunged.

The Estimation Decision rendered the Second Amended Harbinger Inc. Plan unconfirmable by its terms because the expungement or estimation at zero of the Prepetition LP Lenders' guaranty claims was a condition to confirmation. On November 13, 2014, Harbinger filed a notice of appeal of the Estimation Decision [Docket No. 1922].

On November 17, 2014, MAST and U.S. Bank delivered a written notice of termination of the Inc. PSA. On November 18, 2014 SIG, J.P. Morgan Securities LLC, with respect to only its Credit Trading Group, and Chase Lincoln First Commercial Corporation, likewise delivered a written notice of termination of the Inc. PSA. Accordingly, the Inc. PSA has been terminated by its terms.

(v) *Continued Mediation; Failed SPSO-Backed Plan*

At the urging of both the Bankruptcy Court and Judge Drain, the parties continued the mediation dialogue during this period. Additional mediation sessions were conducted on October 16, 22, and 31, 2014. Those discussions cumulated in the development of an agreement-in-principle among certain stakeholders (the "October Proposal"). The October Proposal contemplated, among other things, (A) the conversion of \$300 million of the Prepetition LP Facility SPSO Claims into 60% of the common equity of the Reorganized Debtors (without any additional capital infusion from SPSO), (B) no recovery for Holders of Existing LP Common Units Equity Interests or Existing Inc. Common Units Equity Interests, (C) no recovery for Holders of Existing LP Preferred Units Equity Interests, and (D) prolonged litigation over the ownership and control of potential causes of action against the FCC and GPS Industry.

On November 3, 2014, Judge Drain filed the *Mediator's Second Supplemental Memorandum Under ¶¶ 14 and 15 of Mediation Order* [Docket No. 1903], in which he noted, among other things, that the continued mediation did not achieve "global" consensus, but that the mediation parties other than Harbinger had developed the October Proposal. That same day, Judge Chapman convened a status conference, during which the parties described the general terms of the October Proposal and noted that the parties were working to file a chapter 11 plan and related disclosure statement based on such proposal by early November 2014.

Despite four (4) weeks of efforts to file a plan and negotiate definitive documentation, SPSO was unable to secure any definitive agreement with LightSquared's stakeholders around the October Proposal.

3. New Global Plan of Reorganization

(i) *Plan Support Agreement and Plan*

On December 10, 2014, Fortress, Centerbridge, Harbinger, and the JPM Investment Parties entered into a plan support agreement (as amended, modified, or supplemented, the "Plan Support Agreement"), pursuant to which each party thereto agreed to support the Plan to the exclusion of any other contemplated plan. Contemporaneously with the execution of the Plan Support Agreement, Fortress and Centerbridge purchased the Prepetition LP Facility Claims held by (a) Capital Research and Management Company, in its capacity as investment manager to

certain funds that are holders of Prepetition LP Facility Claims, and (b) Cyrus Capital Partners, L.P., in its capacity as investment manager to certain funds that are holders of Prepetition LP Facility Claims.

The Plan is the product of months of mediation and significant negotiations and efforts by the various key constituents in the Chapter 11 Cases, as well as the mediator appointed by the Bankruptcy Court, to broker as much consensus as possible and enjoys the support of every major constituent in the Chapter 11 Cases other than SPSO. While LightSquared's stakeholders have always endeavored to develop a fully consensual resolution of the Chapter 11 Cases, following years of attempted negotiations (including over six (6) months of mediation), the Plan Support Parties no longer believe it possible to craft a fully consensual restructuring proposal. Among other things, SPSO's pattern of conduct throughout the Chapter 11 Cases suggests that it would not be supportive of any proposal that did not result in SPSO obtaining ownership and control of the Debtors' assets. The Plan Support Parties believe that such an outcome would be adverse to the interests of all of LightSquared's stakeholders other than SPSO and its Affiliates.

The Plan includes many positive attributes that will benefit LightSquared and all of its stakeholders. **First**, the Plan is a joint plan for both the Inc. Estates and the LP Estates, which, as all parties have consistently acknowledged, is the best means to maximize value for the benefit of all Holders of Claims and Equity Interests. **Second**, like the Debtors' Third Amended Plan, the Plan is premised on the provision of fresh capital from the New Investors in the form of new debtor in possession financing and equity infusions on the Effective Date. The Plan also contemplates a first lien exit financing facility of \$1.25 billion. This construct will provide the Debtors with the liquidity necessary to fund their operations through the Effective Date, as well as repay in full the Allowed DIP Inc. Claims and the Allowed DIP LP Claims. **Third**, since Harbinger will contribute the Harbinger Litigations to New LightSquared, the Plan eliminates the need for costly and lengthy litigation over the ownership and control of certain potential causes of action, including the actions commenced by Harbinger against the GPS Industry and the FCC. **Fourth**, as a material improvement compared to the Debtors' Third Amended Plan, the Plan provides SPSO with treatment that is identical to what is being provided to the Holders of the Prepetition LP Facility Non-SPSO Claims. Indeed, notwithstanding the findings made by the Bankruptcy Court in the Ergen Adversary Decision, the Plan Proponents have determined not to pursue subordination of any portion of SPSO's claims, but will instead satisfy the asserted amount of such claims in full. **Fifth**, as with the Debtors' Third Amended Plan, effectiveness of the Plan is not conditioned on LightSquared's receipt of a series of FCC and related regulatory approvals with respect to terrestrial spectrum rights. **Sixth**, the Plan provides for payment in full, in cash, or the purchase, of MAST's prepetition and postpetition claims on or shortly following the Confirmation Date.

The following is an overview of the Plan. This overview is qualified in its entirety by reference to the full text of the Plan, which is attached to this Specific Disclosure Statement as Exhibit A.

b. Summary of Plan Terms

(i) General Overview

The Plan contemplates, among other things, (A) new money investments by the New Investors in exchange for a combination of preferred and common equity, (B) the conversion of the Prepetition LP Facility Claims (including those held by SPSO) into new second lien debt obligations, (C) the repayment in full, in cash, of the Inc. Facility Prepetition Inc. Facility Non-Subordinated Claims immediately following confirmation of the Plan, (D) the payment in full, in cash, of LightSquared's general unsecured claims, (E) the provision of \$1.25 billion in new-money working capital for the Reorganized Debtors, (F) the assumption of certain liabilities, (G) the resolution of all inter-Estate disputes, and (H) the contribution by Harbinger of the Harbinger Litigations (*i.e.*, its Claims and Causes of Action against the FCC and GPS Industry, the appeal of the Bankruptcy Court's rulings in connection with the Ergen Adversary Proceeding, the RICO action commenced against Ergen and certain of its Affiliates, and any other claims or causes of action in connection with the Debtors, their businesses, or any interest in the Debtors).

As mentioned above, the Plan is not conditioned on LightSquared's receipt of a series of FCC and related regulatory approvals with respect to terrestrial spectrum rights (*e.g.*, the grant of the License Modification Application). Rather, the only regulatory conditions precedent to the effectiveness of the Plan are customary filings with, and approvals by, the FCC, Industry Canada, and other applicable governmental authorities (and the expiry of statutory waiting periods, including under the *Hart-Scott-Rodino Antitrust Improvements Act of 1976* and the *Competition Act* (Canada)) for the ownership changes contemplated by the Plan.

The Plan is a product of court-ordered mediation and is premised on compromises and settlements among all Plan Support Parties pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019. In consideration for the Plan Distributions, exculpations, releases (including third party releases), and other benefits provided pursuant to the Plan, confirmation of the Plan shall constitute a good faith compromise of all Claims, Equity Interests, Causes of Action, and controversies resolved pursuant to the Plan and relating to any contractual, legal, and subordination rights that a Holder of a Claim or Equity Interest may have with respect to any Allowed Claim or Equity Interest, or any Plan Distributions to be made on account of such an Allowed Claim or Equity Interest.

(ii) Financing Matters

Post-Confirmation Financing. On or shortly following the Confirmation Date, pursuant to the JPM Inc. Facilities Claims Purchase Agreement, SIG will purchase from the DIP Inc. Claims Sellers the JPM Acquired DIP Inc. Claims. Additionally, the New Investors will fund, or arrange the provision of funding for, the New DIP Facilities, consisting of the New Inc. DIP Facility and the New LP DIP Facility. The New Inc. DIP Facility will be funded, in part, by the conversion of the JPM Acquired DIP Inc. Claims into New Inc. DIP Claims on a dollar for dollar basis. The proceeds of the New DIP Facilities will be used to repay in full, in cash, all Allowed DIP Claims (other than the JPM Acquired DIP Inc. Claims) and fund the Debtors' working capital needs through the Effective Date.

Post-Effective Date Financing. On the Effective Date, the Reorganized Debtors will enter into the following financing arrangements (in each case, the below description is for summary purposes only and is qualified in its entirety by the terms of the applicable agreements and/or documents):

- Working Capital Facility. Certain lenders will provide a first lien credit facility in an original aggregate principal amount of \$1,250,000,000 pursuant to the Working Capital Facility Credit Agreement. The proceeds from such Working Capital Facility will be used to, among other things, satisfy Allowed Administrative Claims, repay the New DIP Claims, provide funding for general corporate purposes and working capital needs, and make Plan Distributions. The Working Capital Facility Loans may not be made by or assigned or otherwise transferred to any Prohibited Transferee and any assignment or other transfer to a Prohibited Transferee (*i.e.*, SPSO, any SPSO Affiliate and certain other parties who are identified competitors of LightSquared) shall be *void ab initio*.
- Second Lien Exit Facility. The New LightSquared Obligor and the other relevant Entities will enter into the Second Lien Exit Facility, which will be funded through the conversion of the Prepetition LP Facility Non-SPSO Claims and the Prepetition LP Facility SPSO Claims into loans under the Second Lien Exit Facility. The Second Lien Exit Term Loans will be secured by a second lien on all assets of the New LightSquared Obligor, have a five (5) year term, bear interest at the rate of the higher of (a) 12% and (b) 300 basis points greater than the interest rate of the Working Capital Facility per annum, payable in kind.
- Reorganized Inc. Exit Facility. Reorganized LightSquared Inc. and SIG will enter into the Reorganized LightSquared Inc. Exit Facility, which will be secured by liens on all assets of Reorganized LightSquared Inc. The Reorganized LightSquared Inc. Exit Facility will be funded through the conversion of the Acquired Inc. Facility Claims and the New Inc. DIP Loans held by SIG into loans under the Reorganized LightSquared Inc. Exit Facility.

c. General Structure of LightSquared and Reorganized Debtors Under Plan

Article IV.B of the Plan sets forth the key restructuring transactions contemplated by LightSquared's reorganization. In connection with the Plan, among other things, (i) the Debtors will be reorganized, (ii) LightSquared LP shall be converted to New LightSquared, a Delaware limited liability company, and (iii) each Reorganized Inc. Entity shall assign, contribute, or otherwise transfer to New LightSquared substantially all of its assets, including all legal, equitable, and beneficial right, title, and interest thereto and therein, including, without limitation, all of its equity interests, if any, in any Reorganized Debtor (except as provided below), intellectual property, contractual rights, Retained Causes of Action, and the right to prosecute such Retained Causes of Action and receive the benefits therefrom, but excluding each Reorganized Inc. Entity's tax attributes and direct or indirect equity interests in One Dot Four

Corp., SkyTerra Rollup LLC, SkyTerra Rollup Sub LLC, TMI Communications Delaware, Limited Partnership, LightSquared Investors Holdings Inc., and SkyTerra Investors LLC.

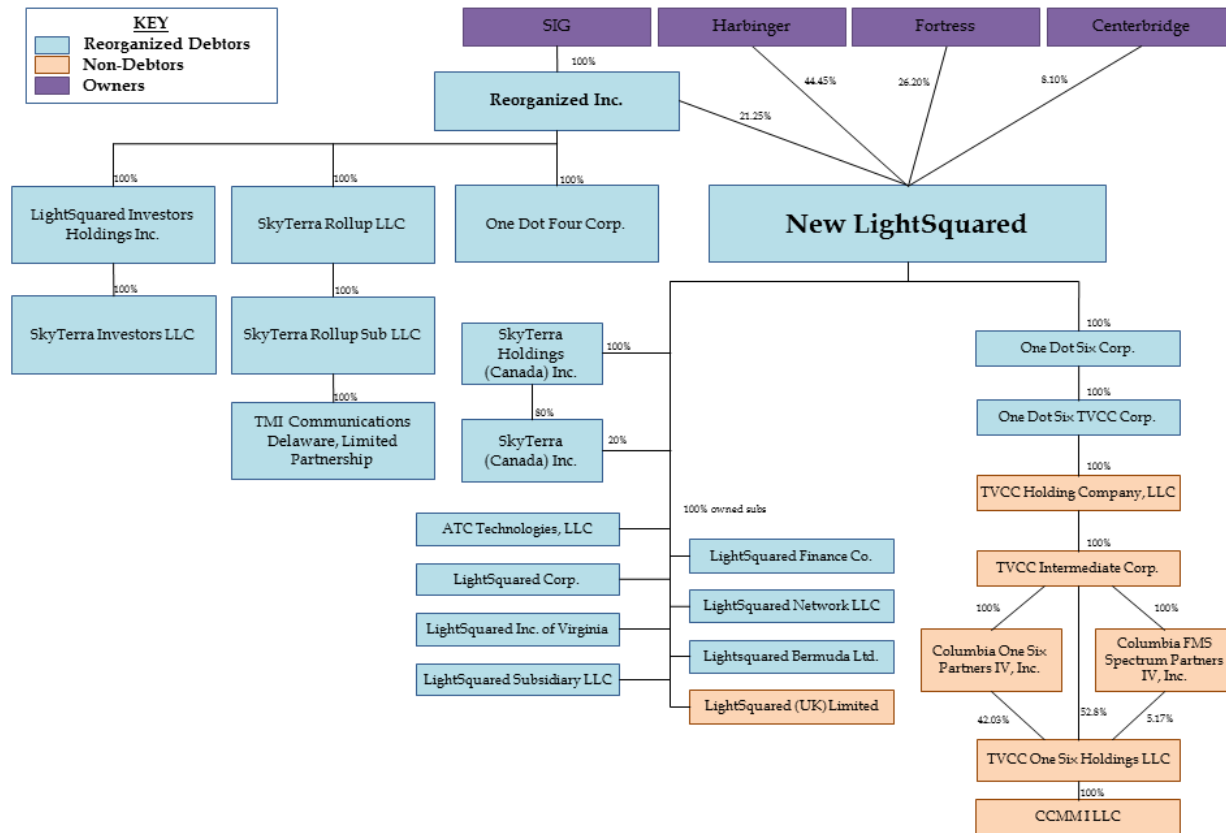
On the Effective Date, New LightSquared shall issue the following new equity interests and other instruments:

- To Fortress, on account of its Effective Date investments, (i) 26.20% of New LightSquared Common Interests and (ii) New LightSquared Series B Preferred Interests having an original liquidation preference of \$68,391,643.16.
- To Centerbridge, on account of its Effective Date investments, (i) 8.10% of New LightSquared Common Interests and (ii) New LightSquared Series B Preferred Interests having an original liquidation preference of \$21,108,531.85.
- To Harbinger, on account of its Prepetition Inc. Facility Subordinated Claims and the contribution of the Harbinger Litigations, (i) New LightSquared Series A Preferred Interests having an original liquidation preference equal to the Allowed amount of the Prepetition Inc. Facility Subordinated Claims, plus the Inc. Facility Prepetition Interest and the Inc. Facility Postpetition Interest allocable to the Inc. Facility Subordinated Claims as of the Effective Date), plus \$122,000,000, (ii) 44.45% of the New LightSquared Common Interests, and (iii) a call option to purchase from Reorganized LightSquared Inc. three percent (3%) of the New LightSquared Common Interests.
- As consideration for the Reorganized Inc. Entities contributing their assets to New LightSquared, New LightSquared will issue to the Reorganized Inc. Entities (i) 21.25% of the New LightSquared Common Interests, (ii) New LightSquared Series C Preferred Interests having an original liquidation preference of \$100,000,000, (iii) New LightSquared Series B Preferred Interests having an original liquidation preference of \$41,000,000, and (iv) New LightSquared Series A Preferred Interests having an original liquidation preference equal to the Allowed Prepetition Inc. Facility Non-Subordinated Claims held by SIG as of the Effective Date.
- Reorganized LightSquared Inc. will issue 100% of the Reorganized LightSquared Inc. Common Shares to SIG on account of its Existing Inc. Preferred Equity Interests.
- The Reorganized Inc. Entities will distribute New LightSquared Series C Preferred Interests having an original liquidation preference of \$27,000,000 to Other Existing Inc. Preferred Equity Holders on account of their Existing Inc. Preferred Equity Interests.

Each of the foregoing issuances of New LightSquared Interests is as of the Effective Date and the issuance of New LightSquared Common Equity will be subject to dilution from any New LightSquared Common Equity or equity-linked instruments issued pursuant to a Management Incentive Plan.

As a result of the Plan Transactions, the Reorganized Debtors will have the following general corporate organizational structure on the Effective Date:

POST-REORGANIZATION LIGHTSQUARED



4. Administrative and Priority Claims

a. Treatment of Administrative and Priority Claims Generally

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Accrued Professional Compensation Claims, DIP Claims, Priority Tax Claims, and U.S. Trustee Fees have not been classified, and the Holders thereof are not entitled to vote on the Plan.

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtors, each Holder of an Allowed Administrative Claim (other than of an Accrued Professional Compensation Claim, DIP Claim, and KEIP Payment) shall receive in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Administrative Claim, Plan Consideration in the form of Cash in an amount equal to such Allowed Administrative Claim. Unless previously Filed, Holders of such Administrative Claims must File and serve on New LightSquared requests for repayment no later than the

Administrative Claims Bar Date pursuant to the procedures specified in the Confirmation Order and the notice of the occurrence of the Effective Date.

b. Treatment of Inc. DIP Claims

In accordance with, and subject to the terms and conditions of, the JPM Inc. Facilities Claims Purchase Agreements, SIG will purchase in Cash from the DIP Inc. Claims Sellers all rights, title, and interest to the JPM Acquired DIP Inc. Claims on the Inc. Facilities Claims Purchase Closing Date. On, and after giving effect to, the Inc. Facilities Claims Purchase Closing Date, the JPM Acquired DIP Inc. Claims will be converted into New Inc. DIP Loans on a dollar for dollar basis.⁶

c. Treatment of LP DIP Claims

In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each DIP LP Claim, except to the extent that a Holder of an Allowed DIP LP Claim agrees to less favorable or other treatment, each Holder of an Allowed DIP LP Claim will receive, on the New LP DIP Closing Date, Plan Consideration in the form of Cash from the proceeds of the New LP DIP Facility in an amount equal to such Allowed DIP LP Claim.

d. Treatment of New Inc. DIP Claims

In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed New Inc. DIP Claim, and except to the extent that a Holder of an Allowed New Inc. DIP Claim agrees to less favorable or other treatment (including with respect to the New Inc. DIP Claims held by SIG), each Holder of an Allowed New Inc. DIP Claim shall receive, on the Effective Date, Plan Consideration in the form of Cash in an amount equal to its Allowed New Inc. DIP Claim; provided that, the New Inc. DIP Claims held by SIG shall be satisfied by converting such Claims on the Effective Date into the Reorganized LightSquared Inc. Exit Facility on a dollar for dollar basis.

e. Treatment of New LP DIP Claims

In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed New LP DIP Claim, except to the extent that a Holder of an Allowed New LP DIP Claim agrees to a less favorable or other treatment, each Holder of an Allowed New LP DIP Claim will receive, on the Effective Date, Plan Consideration in the form of Cash in an amount equal to such Allowed New LP DIP Claims.

5. Classes and Treatment

A Claim or Equity Interest is placed in a particular Class only to the extent that the Claim or Equity Interest falls within the description of that Class and is classified in other Classes only to the extent that any portion of the Claim or Equity Interest falls within the description of such

⁶ Allowed DIP Inc. Claims (other than the JPM Acquired DIP Inc. Claims) to be repurchased and/or repaid through a combination of a purchase agreement provided by Fortress and Centerbridge and/or new Inc. DIP Financing provided by the New Investors or their affiliates, subject in each case to the terms thereof.

other Classes. The Plan classifies Claims and Equity Interests with respect to the Inc. Debtors and the LP Debtors.

Pursuant to the Bankruptcy Code, not all Classes are entitled to vote on the Plan. Under the Plan, (a) Classes 5, 6, 7A, 7B, 8A, 8B, 11, and 12 are Impaired, and the Holders of Claims or Equity Interests in such Classes is entitled to vote to accept or reject the Plan, (b) Classes 1, 2, 3, 4, 9, 10, 15B, 16A, and 16B are Unimpaired, and the Holders of Claims in such Classes are conclusively presumed to have accepted the Plan and are thus not entitled to vote on the Plan, and (c) Classes 13, 14 and 15A are Impaired, and the Holders of Claims and Equity Interests in such Classes (i) shall receive no distributions under the Plan on account of their Claims or Equity Interests, (ii) are deemed to have rejected the Plan, and (iii) are not entitled to vote to accept or reject the Plan, and the votes of such Holders shall not be solicited.

The chart below summarizes the Classes of Claims and Equity Interests, the treatment of such Classes (except to the extent a Holder agrees to other treatment), whether they are Impaired or Unimpaired, and the entitlement of such Classes to vote. This chart and its content are subject to change based upon changes in the amount of Allowed Claims and Allowed Equity Interests and the amounts available for distribution. Unless otherwise provided in the Plan or the Confirmation Order, the treatment of any Claim or Equity Interest under the Plan will be in full and final satisfaction, settlement, release, and discharge of, and in exchange for, such Claim or Equity Interest.

Reference should be made to the entirety of the Specific Disclosure Statement and the Plan for a complete understanding of the classification and treatment of Allowed Claims and Allowed Equity Interests.

Chart Showing Classification of Claims against Debtors

Class	Claims or Equity Interests	Treatment	Impairment Status	Entitlement to Vote	Estimated Percentage Recovery of Allowed Claims or Equity Interests
1	Inc. Other Priority Claims	In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Inc. Other Priority Claim, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Inc. Other Priority Claim agrees to any other treatment, each Holder of an Allowed Inc. Other Priority Claim against an individual Inc. Debtor shall receive Plan Consideration in the form of Cash in an amount equal to such Allowed Inc. Other Priority Claim.	Unimpaired	No (Deemed To Accept)	100%
2	LP Other Priority Claims	In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed LP Other Priority Claim, on the Effective	Unimpaired	No (Deemed To Accept)	100%

Class	Claims or Equity Interests	Treatment	Impairment Status	Entitlement to Vote	Estimated Percentage Recovery of Allowed Claims or Equity Interests
		Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed LP Other Priority Claim agrees to any other treatment, each Holder of an Allowed LP Other Priority Claim against an individual LP Debtor shall receive Plan Consideration in the form of Cash in an amount equal to such Allowed LP Other Priority Claim.			
3	Inc. Other Secured Claims	In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Inc. Other Secured Claim, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Inc. Other Secured Claim agrees to any other treatment, each Holder of an Allowed Inc. Other Secured Claim against an individual Inc. Debtor shall receive one of the following treatments, in the sole discretion of the New Investors (upon agreement of all of the New Investors) or the Reorganized Debtors, as applicable: (i) Plan Consideration in the form of Cash in an amount equal to such Allowed Inc. Other Secured Claim; (ii) delivery of the Collateral securing such Allowed Inc. Other Secured Claim and payment of interest required to be paid under section 506(b) of the Bankruptcy Code, if any; or (iii) treatment of such Allowed Inc. Other Secured Claim in any other manner such that the Allowed Inc. Other Secured Claim shall be rendered Unimpaired.	Unimpaired	No (Deemed To Accept)	100%
4	LP Other Secured Claims	In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed LP Other Secured Claim, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed LP Other Secured Claim agrees to any other treatment, each Holder of an Allowed LP Other Secured Claim against an individual LP Debtor shall receive one of the following treatments, in the sole discretion of the New Investors (upon agreement of all of the New Investors) or the Reorganized Debtors, as applicable: (i) Plan Consideration in the form of Cash in an amount equal to such Allowed LP Other Secured Claim; (ii) delivery of the Collateral securing such Allowed LP Other Secured Claim and payment of interest required to be paid under	Unimpaired	No (Deemed To Accept)	100%

Class	Claims or Equity Interests	Treatment	Impairment Status	Entitlement to Vote	Estimated Percentage Recovery of Allowed Claims or Equity Interests
		section 506(b) of the Bankruptcy Code, if any; or (iii) treatment of such Allowed LP Other Secured Claim in any other manner such that the Allowed LP Other Secured Claim shall be rendered Unimpaired.			
5	Prepetition Inc. Facility Non-Subordinated Claims	In accordance with, and subject to the terms and conditions of, the JPM Inc. Facilities Claims Purchase Agreement, on the Inc. Facilities Claims Purchase Closing Date, SIG shall purchase in Cash from the Prepetition Inc. Facility Claims Sellers all rights, title, and interest to those Allowed Prepetition Inc. Facility Non-Subordinated Claims that are Acquired Inc. Facility Claims in exchange for the Acquired Inc. Facility Claims Purchase Price. In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Prepetition Inc. Facility Non-Subordinated Claim and the termination of Liens securing such Claims, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Prepetition Inc. Facility Non-Subordinated Claim agrees to any other treatment, each Allowed Prepetition Inc. Facility Non-Subordinated Claim, which shall include all Inc. Facility Postpetition Interest allocable to the Prepetition Inc. Facility Non-Subordinated Claims through and including the Effective Date, shall be converted into the Reorganized LightSquared Inc. Exit Facility on a dollar-for-dollar basis on the Effective Date.	Impaired	Yes	100%
6	Prepetition Inc. Facility Subordinated Claims	In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Prepetition Inc. Facility Subordinated Claim and the termination of Liens securing such Claims and Harbinger's contribution to New LightSquared of the Harbinger Litigations, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Prepetition Inc. Facility Subordinated Claim agrees to any other treatment, each Holder of an Allowed Prepetition Inc. Facility Subordinated Claim shall receive Plan Consideration in the form of such Holder's pro rata share of (i) New LightSquared Series A Preferred Interests having an original liquidation preference equal to the principal amount of Prepetition Inc. Facility Subordinated Claims, plus the Inc. Facility	Impaired	Yes	100%

Class	Claims or Equity Interests	Treatment	Impairment Status	Entitlement to Vote	Estimated Percentage Recovery of Allowed Claims or Equity Interests
		Prepetition Interest and the Inc. Facility Postpetition Interest allocable to the Prepetition Inc. Facility Subordinated Claims as of the Effective Date, <u>plus</u> \$122,000,000, and (ii) 44.45% of the New LightSquared Common Interests. For the avoidance of doubt, the treatment provided to Class 6 under the Plan shall satisfy in full any and all Claims (including, without limitation, guarantee claims and adequate protection claims) that may be asserted by the Holders of Prepetition Inc. Facility Subordinated Claims against any and all Debtors.			
7A	Prepetition LP Facility Non-SPSO Claims	In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Prepetition LP Facility Non-SPSO Claim, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Prepetition LP Facility Non-SPSO Claim agrees to any other treatment, each such Holder of an Allowed Prepetition LP Facility Non-SPSO Claim against the LP Debtors shall receive Tranche A Second Lien Exit Term Loans in a principal amount equal to such Holder's Allowed Prepetition LP Facility Non-SPSO Claim as of the Effective Date.	Impaired	Yes	100%
7B	Prepetition LP Facility SPSO Claims	In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Prepetition LP Facility SPSO Claim, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Prepetition LP Facility SPSO Claim agrees to any other treatment, each such Holder of an Allowed Prepetition LP Facility SPSO Claim against the LP Debtors shall receive Tranche B Second Lien Exit Term Loans in a principal amount equal to such Holder's Allowed Prepetition LP Facility SPSO Claim as of the Effective Date.	Impaired	Yes	100%

Class	Claims or Equity Interests	Treatment	Impairment Status	Entitlement to Vote	Estimated Percentage Recovery of Allowed Claims or Equity Interests
8A	Prepetition LP Facility Non-SPSO Guaranty Claims	In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Prepetition LP Facility Non-SPSO Guaranty Claim, on the Effective Date, and except to the extent that a Holder of an Allowed Prepetition LP Facility Non-SPSO Guaranty Claim agrees to any other treatment, the Inc. Debtors who are New LightSquared Obligor shall each provide to the agent under the Second Lien Exit Facility guaranties of New LightSquared's obligations under the Second Lien Exit Facility, which guaranty shall be secured by the assets of such New LightSquared Obligor, and the New LightSquared Obligor will grant liens to the agent under the Second Lien Exit Facility on all other assets received by the New LightSquared Obligor from the Reorganized Inc. Entities pursuant to Article IV.B.2(c)(i) of the Plan.	Impaired	Yes	100%
8B	Prepetition LP Facility SPSO Guaranty Claims	In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Prepetition LP Facility SPSO Guaranty Claim, on the Effective Date, and except to the extent that a Holder of an Allowed Prepetition LP Facility SPSO Guaranty Claim agrees to any other treatment, the Inc. Debtors who are New LightSquared Obligor shall each provide to the agent under the Second Lien Exit Facility guaranties of New LightSquared's obligations under the Second Lien Exit Facility, which guaranty shall be secured by the assets of such New LightSquared Obligor, and the New LightSquared Obligor will grant liens to the agent under the Second Lien Exit Facility on all other assets received by the New LightSquared Obligor from the Reorganized Inc. Entities pursuant to Article IV.B.2(c)(i) of the Plan.	Impaired	Yes	100%
9	Inc. General Unsecured Claims	In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Inc. General Unsecured Claim, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Inc. General Unsecured Claim agrees to any other treatment, each Holder of an Allowed Inc. General Unsecured Claim against an individual Inc. Debtor shall receive Plan Consideration in the form of Cash in an amount	Unimpaired	No (Deemed To Accept)	100%

Class	Claims or Equity Interests	Treatment	Impairment Status	Entitlement to Vote	Estimated Percentage Recovery of Allowed Claims or Equity Interests
		equal to such Allowed Inc. General Unsecured Claim.			
10	LP General Unsecured Claims	In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed LP General Unsecured Claim, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed LP General Unsecured Claim agrees to any other treatment, each Holder of an Allowed LP General Unsecured Claim against an individual LP Debtor shall receive Plan Consideration in the form of Cash in an amount equal to such Allowed LP General Unsecured Claim.	Unimpaired	No (Deemed To Accept)	100%
11	Existing LP Preferred Units Equity Interests	In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Existing LP Preferred Units Equity Interest, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Existing LP Preferred Units Equity Interest agrees to any other treatment, each Holder of an Allowed Existing LP Preferred Units Equity Interest shall receive Plan Consideration in the form of such Holder's pro rata share of New LightSquared Series C Preferred Interests having an original liquidation preference of \$248,000,000.	Impaired	Yes	[__%]
12	Existing Inc. Preferred Stock Equity Interests	In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Existing Inc. Preferred Stock Equity Interest, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Existing Inc. Preferred Stock Equity Interest agrees to any other treatment: (i) each Other Existing Inc. Preferred Equity Holder shall receive on account of its Allowed Existing Inc. Preferred Stock Equity Interest Plan Consideration in the form of such Holder's pro rata share of New LightSquared Series C Preferred Interests having an original liquidation preference of \$27,000,000; and (ii) SIG shall receive 100% of the Reorganized LightSquared Inc. Common Shares issued as of the Effective Date.	Impaired	Yes	[__%]

Class	Claims or Equity Interests	Treatment	Impairment Status	Entitlement to Vote	Estimated Percentage Recovery of Allowed Claims or Equity Interests
13	Existing LP Common Units Equity Interests	All Existing LP Common Units Equity Interests shall be cancelled as of the Effective Date, and Holders of Existing LP Common Units Equity Interests shall not receive any distribution under the Plan on account of such Existing LP Common Units Equity Interests.	Impaired	No (Deemed To Reject)	0%
14	Existing Inc. Common Stock Equity Interests	All Existing Inc. Common Stock Equity Interests shall be cancelled as of the Effective Date, and Holders of Existing Inc. Common Stock Equity Interests shall not receive any distribution under the Plan on account of such Existing Inc. Common Stock Equity Interests.	Impaired	No (Deemed To Reject)	0%
15A	Inc. Debtor Intercompany Claims	Holders of Allowed Intercompany Claims against an Inc. Debtor shall not receive any distribution from Plan Consideration on account of such Intercompany Claims.	Impaired	No (Deemed To Reject)	0%
15B	LP Debtor Intercompany Claims	In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Intercompany Claim against an LP Debtor, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Intercompany Claim against an LP Debtor agrees to any other treatment, each Allowed Intercompany Claim against an LP Debtor shall be Reinstated for the benefit of the Holder thereof; <u>provided</u> , that the Inc. Debtors agree that they shall not receive any recovery on account of, and shall discharge, any and all of the Intercompany Claims that they can assert against each of the LP Debtors. After the Effective Date, the Reorganized LP Debtors, in their sole discretion, shall have the right to resolve or compromise Allowed Intercompany Claims against an LP Debtor without further notice to or action, order, or approval of the Bankruptcy Court.	Unimpaired	No (Deemed To Accept)	100%
16A	LP Debtor Intercompany Interests	In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Intercompany Interest in an LP Debtor, other than Allowed Existing LP Common Units, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Intercompany Interest in an LP Debtor agrees to any other treatment, each Allowed Intercompany Interest in an LP Debtor,	Unimpaired	No (Deemed To Accept)	100%

Class	Claims or Equity Interests	Treatment	Impairment Status	Entitlement to Vote	Estimated Percentage Recovery of Allowed Claims or Equity Interests
		other than Allowed Existing LP Common Units, shall be Reinstated for the benefit of the Holder thereof and treated in accordance with the Plan, as applicable.			
16B	Inc. Debtor Intercompany Interests	In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Intercompany Interest in an Inc. Debtor, on the Effective Date or as soon thereafter as reasonably practicable, and except to the extent an Intercompany Interest in an Inc. Debtor is assigned or otherwise transferred pursuant to Article IV.B.2(c) of the Plan, each Allowed Intercompany Interest in an Inc. Debtor shall be Reinstated for the benefit of the Holder thereof and treated in accordance with the Plan, as applicable.	Unimpaired	No (Deemed To Accept)	100%

B. Chapter 11 Cases

Reference should be made to Article III of the General Disclosure Statement, entitled “Chapter 11 Cases,” for a discussion of, among other things, the events leading to the Chapter 11 Cases, events in the Chapter 11 Cases, pending litigation proceedings, and LightSquared’s restructuring efforts.

1. Debtor-in-Possession Financing / Continued Use of Cash Collateral

A description of the Inc. DIP Facility is provided in Article III.B.3 of the General Disclosure Statement, entitled “**Inc. DIP Facility**.” Notwithstanding the foregoing, the following information is intended to supplement Article III.B.3 of the General Disclosure Statement and additionally provide a description of the LP DIP Facility:

a. Inc. DIP Facility

As described in Article III.B.3 of the General Disclosure Statement, on July 17, 2012, the Bankruptcy Court entered an order (the “Inc. DIP Order”), which provided the Inc. DIP Borrower access to \$41.4 million of secured, priming postpetition borrowings [Docket No. 224] (the “Inc. DIP Facility”). The Inc. DIP Order was subsequently amended pursuant to those certain orders entered on March 13, 2013 [Docket No. 579], December 23, 2013 [Docket No. 1126], January 31, 2014 [Docket No. 1286], March 25, 2014 [Docket No. 1444], April 15, 2014 [Docket No. 1492], June 13, 2014 [Docket No. 1581], June 30, 2014 [Docket No. 1613], July 15, 2014 [Docket No. 1645], July 22, 2014 [Docket No. 1657], August 1, 2014 [Docket No. 1683], August 29, 2014 [Docket No. 1740], October 6, 2014 [Docket No. 1805], October 31, 2014 [Docket No. 1901], November 14, 2014 [Docket No. 1926], and December 15, 2014 [Docket No. 1967]. The Inc. DIP Facility is currently scheduled to mature on December 18, 2014.

b. LP DIP Facility

On January 18, 2014, the Debtors filed a motion (the “LP DIP Motion”) seeking authority to allow LightSquared LP (the “LP DIP Borrower”) to obtain, and each LightSquared LP subsidiary (collectively, the “LP DIP Guarantors” and, together with the LP DIP Borrower, the “LP Obligors”) to unconditionally guaranty jointly and severally the LP DIP Borrower’s obligations in respect of, secured, priming superpriority postpetition financing (the “LP DIP Facility”) in the amount of \$33 million [Docket No. 1237]. On February 4, 2014, the Bankruptcy Court entered the order approving the LP DIP Motion (the “LP DIP Order”) [Docket No. 1291].

On April 10, 2014, the Bankruptcy Court entered the *Final Order (A) Authorizing LP DIP Obligors To Obtain Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1476] and thereby approved, among other things, the provision of certain superpriority, senior secured, priming postpetition financing by the LP DIP Lenders to the LP DIP Obligors through June 15, 2014. On June 9, 2014, the Debtors filed the *Notice of Extension of Final Maturity Date Under Replacement LP DIP Facility* [Docket No. 1574], providing that the LP DIP Lenders had agreed to extend the maturity of the replacement LP DIP Facility to June 30, 2014. The existing LP DIP Facility was subsequently supplanted with a “replacement” LP DIP Facility with an extended maturity date pursuant to those certain orders dated as of June 30, 2014 [Docket No. 1614], July 14, 2014 [Docket No. 1639], July 24, 2014 [Docket No. 1668], August 1, 2014 [Docket No. 1681], August 28, 2014 [Docket No. 1736], and November 14, 2014 [Docket No. 1927]. Such LP DIP Facility is scheduled to mature on January 30, 2015.

c. Continued Use of Cash Collateral

As described in Article III.B.2 of the General Disclosure Statement, the Cash Collateral Order has allowed the Debtors to operate in the ordinary course throughout the Chapter 11 Cases. The Debtors have negotiated the continued use of cash collateral on a consensual basis through periodic extensions in the form of amendments to the Cash Collateral Order [Docket Nos. 1580, 1615, 1638, 1667, 1682, 1735, and 1928]. The most recent extension of the Cash Collateral Order is scheduled to expire on January 30, 2015.

2. Ergen Adversary Proceeding

Article III.D.3 of the General Disclosure Statement and Article I.A.1 hereof provides a discussion of the adversary proceeding brought against the Ergen Defendants. Following the issuance of the Ergen Adversary Decision, parties in interest in the Ergen Adversary Proceeding filed notices of appeal regarding certain issues and pleadings related thereto. The appeal process is ongoing.

3. Postpetition FCC Developments

A detailed description of the FCC process is provided in Article III.F.1 of the General Disclosure Statement, entitled “**Current Status of FCC Process.**” Notwithstanding the

foregoing, the following information is intended to supplement Article III.F.1 of the General Disclosure Statement:

On July 1, 2014, Karl B. Nebbia, the Associate Administrator of the Office of Spectrum Management of the National Telecommunications and Information Administration (the “NTIA”) sent a letter to Julius Knapp, Chief, Office of Engineering and Technology of the FCC. The letter forwarded, for inclusion in the record of the License Modification Application and related FCC proceedings and for consideration by the FCC, a letter to the NTIA from the Department of Transportation (“DOT”). That DOT letter raises certain issues about the compatibility of GPS receivers with terrestrial “uplink” operations (i.e., terrestrial handset operations) over LightSquared’s network. To the extent that the FCC is inclined to authorize terrestrial-only handsets in the 1626.5-1660.5 MHz band, NTIA urges the FCC to carefully consider the issues raised by DOT along with the rest of the record and to ensure that LightSquared’s proposal is adequately supported.

4. Harbinger Litigations

As discussed in Article III.D.4 of the General Disclosure Statement, on August 9, 2013, Harbinger commenced an action against various companies in the GPS industry, under the caption Harbinger Capital Partners LLC v. Deere & Company et al., Case No. 13-cv-5543 (RMB) (S.D.N.Y.) (the “Harbinger GPS Action”). In the Harbinger GPS Action, Harbinger seeks damages from, and other relief against, the defendants named therein (the “GPS Defendants”) based on their alleged harmful conduct in belatedly protesting interference from LightSquared’s spectrum usage and stalling LightSquared’s planned nationwide broadband network. On November 1, 2013, LightSquared filed an action against the GPS Defendants asserting the same claims and damages. See LightSquared Inc. v. Deere & Co., Case No. 13-cv-08157 (RMB) (S.D.N.Y.) (the “LightSquared GPS Action”). After successfully withdrawing the reference to the Bankruptcy Court, the GPS Defendants moved to dismiss both Harbinger’s and LightSquared’s claims in the LightSquared GPS Action. The motion is currently pending.

On July 11, 2014, Harbinger filed an action against the United States of America, under the caption Harbinger Capital Partners LLC v. United States of America, Case No. 14-cv-00597 (MCW) (Fed. Cl.) (the “Harbinger FCC Action”), asserting breach of contract, unconstitutional taking of private property without just compensation, and breach of the implied covenant of good faith and fair dealing on account of a contract between Harbinger and the United States (acting through the FCC).

The Debtors have always believed that certain of the claims underlying the Harbinger Litigations ultimately belong to the Debtors. To that end, on October 8, 2014, LightSquared filed a motion with the Bankruptcy Court seeking to stay the Harbinger FCC Action and Harbinger GPS Action until the effective date of any plan of reorganization or until a motion for a permanent injunction can be brought and ruled upon [Docket No. 1816] (the “Stay Motion”).⁷ The hearing on the Stay Motion has been adjourned to a date to be determined. On October 23,

⁷ Harbinger previously consented to a sixty (60)-day stay with respect to the GPS Action without prejudice to LightSquared’s ability to request a further stay [Docket No. 931].

2014, Harbinger filed a motion to withdraw the reference to the Bankruptcy Court with respect to the Stay Motion [Docket No. 1861]. On November 10, 2014, the District Court for the Southern District of New York denied Harbinger's motion.

As a material component of the Plan, Harbinger will contribute the Harbinger Litigations to New LightSquared on the Effective Date.

C. Solicitation Process and Voting Procedures

1. Solicitation Process

a. General

A description of the solicitation process is provided in Article I.C of the General Disclosure Statement, entitled "**Solicitation Process and Voting Procedures.**" As previously described therein, on October 10, 2013, 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 with Confirmation of Competing Plans, and (V) Granting Related Relief* [Docket No. 936] (the "Original Disclosure Statement Order"), which, among other things, approved (i) solicitation, confirmation, and notice procedures for proposed chapter 11 plans and (ii) forms of ballots and notices in connection therewith.

[On [____], 2014, the Bankruptcy Court entered the [*Order Scheduling Certain Hearing Dates and Establishing Deadlines in Connection with Chapter 11 Process* [Docket No. ____]] (the "Scheduling Order") and, on [____], 2015, the Bankruptcy Court entered the [(i) *Order (A) Approving Specific Disclosure Statement for Joint Chapter 11 Plan, (B) Approving Solicitation and Notice Procedures in Connection with Voting on Joint Chapter 11 Plan, (C) Approving Form of Ballot and Notices in Connections Therewith, (D) Scheduling Certain Dates and Deadlines in Connection with Confirmation of Joint Chapter 11 Plan, and (E) Granting Related Relief* [Docket No. ____]] (the "Solicitation Order" and, collectively with the [Scheduling Order and Original Disclosure Statement Order], the "Disclosure Statement Order"). The Solicitation Order, among other things, (i) approved the disclosure statement for, and solicitation of, the Plan, (ii) scheduled certain dates in connection with the approval process of the Plan, and (iii) incorporated by reference the terms of, and relief granted in, the Original Disclosure Statement Order.]

This Specific Disclosure Statement and other documents described herein are being furnished by the Plan Proponents to Holders of Claims against, and Equity Interests in, the Debtors pursuant to the Disclosure Statement Order, as recognized in the Canadian Proceedings (the "Disclosure Statement Recognition Order"), for the purpose of soliciting votes on the Plan. There will be no separate voting process for Canadian Holders of Claims or Equity Interests, and Canadian Holders of Claims or Equity Interests will be subject to the voting process set out in the Disclosure Statement Order, as recognized by the Disclosure Statement Recognition Order.

Copies of the Disclosure Statement Order, the Disclosure Statement Recognition Order, and a notice (the "Confirmation Hearing Notice") of, among other things, voting procedures and the dates set for objections to, and the hearing on, confirmation (the "Confirmation Hearing") of

the Plan are also being transmitted with this Specific Disclosure Statement. The Disclosure Statement Order and the Confirmation Hearing Notice set forth in detail the deadlines, procedures, and instructions for casting votes to accept or reject the Plan, for filing objections to confirmation of the Plan, the treatment for balloting purposes of certain types of Claims and Equity Interests, and the assumptions for tabulating ballots. In addition, detailed voting instructions will accompany each ballot. Each Holder of a Claim or Equity Interest within a Class entitled to vote should read, as applicable, the General Disclosure Statement, the Specific Disclosure Statement (including all exhibits, attachments, and other accompanying documents), the Plan, the Disclosure Statement Order, the Confirmation Hearing Notice, and the instructions accompanying the ballots in their entirety before voting on the Plan. These documents contain important information concerning how Claims and Equity Interests are classified for voting purposes and how votes will be tabulated.

b. Who Is Entitled To Vote

Pursuant to the Disclosure Statement Order, the Bankruptcy Court has established [____], 2015 (the “Voting Record Date”) as the record date for determining the Holders of Claims or Equity Interests entitled to vote to accept or reject the Plan. Under the provisions of the Bankruptcy Code, not all parties in interest are entitled to vote on a chapter 11 plan. Creditors or Equity Interest Holders whose claims or interests are not impaired by a plan are deemed to accept the plan under section 1126(f) of the Bankruptcy Code and, therefore, are not entitled to vote. Creditors or equity interest Holders whose claims or interests are impaired by a plan, but who will receive no distribution under a plan, are also not entitled to vote because they are deemed to have rejected the plan under section 1126(g) of the Bankruptcy Code.

Under the Plan, Inc. Classes 5, 6, 7A, 7B, 8A, 8B, 11, and 12 are “Impaired,” and the Holders in such Classes are entitled to vote to accept or reject the Plan.

c. Summary of Voting Procedures

If you are entitled to vote to accept or reject the Plan, a ballot providing for voting on the Plan is enclosed for voting purposes. If you hold Claims or Equity Interests in more than one Class and you are entitled to vote Claims or Equity Interests in more than one Class, you will receive separate ballots, which must be used for each separate Class. Each ballot votes only your Claim or Equity Interest indicated on that Ballot. Please vote and return your ballot(s) in accordance with the instructions set forth herein and the instructions accompanying your ballot(s).

TO BE COUNTED, YOUR VOTE INDICATING ACCEPTANCE OR REJECTION OF THE PLAN MUST BE PROPERLY COMPLETED IN ACCORDANCE WITH THE INSTRUCTIONS ON THE BALLOT, AND MUST BE **ACTUALLY RECEIVED** BY THE CLAIMS AND SOLICITATION AGENT NO LATER THAN 4:00 P.M. (PREVAILING PACIFIC TIME) ON [____], 2015. BALLOTS RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED.

BALLOTS MUST BE DELIVERED TO THE CLAIMS AND SOLICITATION AGENT BY (A) E-MAIL TO LIGHTSQUAREDBALLOTS@KCCLLC.COM, (B) FACSIMILE TO

(310) 776-8379, OR (C) FIRST CLASS MAIL, OVERNIGHT COURIER, OR PERSONAL DELIVERY TO:

LIGHTSQUARED BALLOT PROCESSING
c/o KURTZMAN CARSON CONSULTANTS LLC
2335 ALASKA AVENUE
EL SEGUNDO, CA 90245

ALL BALLOTS MUST BE PROPERLY EXECUTED, COMPLETED, AND DELIVERED ACCORDING TO THEIR APPLICABLE VOTING INSTRUCTIONS BY (A) FIRST CLASS MAIL, (B) OVERNIGHT DELIVERY, (C) PERSONAL DELIVERY, (D) E-MAIL, OR (E) FACSIMILE, SO THAT THE BALLOTS ARE ACTUALLY RECEIVED NO LATER THAN THE VOTING DEADLINE BY THE CLAIMS AND SOLICITATION AGENT.

ANY PROPERLY EXECUTED, TIMELY RECEIVED BALLOT THAT DOES NOT INDICATE EITHER ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED. ANY PROPERLY EXECUTED, TIMELY RECEIVED BALLOT THAT INDICATES BOTH ACCEPTANCE AND REJECTION OF THE PLAN WILL NOT BE COUNTED. **BALLOTS SHOULD NOT BE DELIVERED DIRECTLY TO THE BANKRUPTCY COURT, LIGHTSQUARED, LIGHTSQUARED'S AGENTS (OTHER THAN THE CLAIMS AND SOLICITATION AGENT), LIGHTSQUARED'S FINANCIAL OR LEGAL ADVISORS, THE OTHER PLAN PROPONENTS, OR THE OTHER PLAN PROPONENTS' FINANCIAL OR LEGAL ADVISORS.**

d. Inquiries

If you are a Holder of a Claim or Equity Interest entitled to vote on the Plan and did not receive a ballot, received a damaged ballot, or lost your ballot, or if you have questions about the procedures for voting your Claim or Equity Interest or about the packet of materials that you received, please contact the Claims and Solicitation Agent, Kurtzman Carson Consultants LLC, by writing at 2335 Alaska Avenue, El Segundo, CA 90245, Attn: LightSquared, by telephone at (877) 499-4509, or by email at LightSquaredInfo@kccllc.com.

If you wish to obtain additional copies of the Plan, the General Disclosure Statement, this Specific Disclosure Statement, or the exhibits to those documents, you may do so at your own expense, unless otherwise specifically required by Bankruptcy Rule 3017(d): (i) from the Claims and Solicitation Agent (A) (except Ballots) at its website at <http://www.kccllc.net/lightsquared>, (B) by writing to Kurtzman Carson Consultants LLC, Attn: LightSquared, 2335 Alaska Avenue, El Segundo, CA 90245, (C) by calling (877) 499-4509, or (D) by emailing LightSquaredInfo@kccllc.com; or (ii) (except Ballots) for a fee via PACER at <http://www.nysb.uscourts.gov>.

2. Confirmation Hearing

Pursuant to section 1128 of the Bankruptcy Code and the Disclosure Statement Order, the Confirmation Hearing will be held on [____], 2015 at 10:00 a.m. (prevailing Eastern time),

before the Honorable Shelley C. Chapman, United States Bankruptcy Judge. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan be filed and served so that they are received on or before [____], 2015 at 4:00 p.m. (prevailing Eastern time). The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court or the Plan Proponents (at the Bankruptcy Court's direction) without further notice except for the announcement of the adjourned date made at the Confirmation Hearing or at any adjourned Confirmation Hearing. Should a Confirmation Order be entered, it is anticipated that recognition of such order will be sought in the Canadian Proceedings thereafter.

D. Plan Supplement

The Plan Supplement will include executed commitment letters, engagement letters, highly confident letters, related term sheets, or form or definitive agreements, and/or other documents with respect to the following:

- Working Capital Facility Credit Agreement;
- Second Lien Exit Credit Agreement;
- Reorganized Debtors Corporate Governance Documents (including documents relating to the New LightSquared Interests);
- JPM Inc. Facility Claims Purchase Agreement;⁸
- Schedule of Assumed Agreements;
- Schedule of Retained Causes of Action; and
- Transition Plan (as applicable).

E. Confirmation and Related Procedures

A description of the procedures and requirements to achieve Confirmation of the Plan is provided in Article IV of the General Disclosure Statement, entitled "**Confirmation Procedures.**" Notwithstanding the foregoing, pursuant to the Disclosure Statement Order, the Bankruptcy Court approved the following dates and deadlines with respect to the confirmation and related processes for the Plan:

Deadline To Vote for Plan	[____], 2015 at 4:00 p.m. (prevailing Pacific time)
Deadline To Object to Plan	[____], 2015 at 4:00 p.m. (prevailing Eastern time)

⁸ The JPM Inc. Facility Claims Purchase Agreement will be filed at a time agreed to by SIG and the Inc. Facility Claim Sellers.

Deadline To File Voting Report	[____], 2015 at 4:00 p.m. (prevailing Eastern time)
Deadline To File Confirmation Briefs and Replies to Objections	[____], 2015 at 4:00 p.m. (prevailing Eastern time)
Commencement of Confirmation Hearing	[____], 2015 at 10:00 a.m. (prevailing Eastern time)

The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court or Plan Proponents (at the Bankruptcy Court's direction) without further notice except for the announcement of the adjourned date made at the Confirmation Hearing or at any adjourned Confirmation Hearing. Should a confirmation order be entered, it is anticipated that recognition of such order will be sought in the Canadian Proceedings thereafter.

F. Risk Factors

Prior to deciding whether and how to vote on the Plan, Holders of Claims or Equity Interests in a Voting Class should read and consider carefully all of the information in the Plan, the General Disclosure Statement, including the risk factors described in Article V thereof, entitled "**General Risk Factors**," and the Specific Disclosure Statement, including the risk factors described in Article V, entitled "**Plan-Related Risk Factors to Confirming and Consummating Plan**."

G. Identity of Persons to Contact for More Information

Any interested party desiring further information about the Plan should contact: Kurtzman Carson Consultants LLC, Attn: LightSquared, 2335 Alaska Avenue, El Segundo, CA 90245, via electronic mail at LightSquaredInfo@kccllc.com, or by phone at (877) 499-4509.

H. Disclaimer

In formulating the Plan, the Plan Proponents have relied on financial data derived from the books and records of LightSquared. The Plan Proponents, therefore, represent that everything stated in the Specific Disclosure Statement is true to the best of their knowledge. The Plan Proponents nonetheless cannot, and do not, confirm the current accuracy of all statements appearing in the Specific Disclosure Statement. Moreover, the Bankruptcy Court has not yet determined whether the Plan is confirmable, and the Bankruptcy Court does not recommend whether you should vote to accept or reject the Plan.

Although the attorneys, accountants advisors, and other professionals employed by the Plan Proponents have assisted in preparing the Disclosure Statement based upon factual information and assumptions respecting financial, business, and accounting data found in the books and records of LightSquared, they have not independently verified such information and make no representations as to the accuracy thereof. The attorneys, accountants, advisors, and other professionals employed by the Plan Proponents shall have no liability for the information in the Disclosure Statement.

The Plan Proponents and their professionals also have made a diligent effort to identify the pending litigation claims and projected objections to Claims and Equity Interests. However, no reliance should be placed on the fact that a particular litigation claim or projected objection to a Claim and Interest is, or is not, identified in the Disclosure Statement.

I. Rules of Interpretation

The following rules for interpretation and construction shall apply to the Specific Disclosure Statement: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in such form or substantially on such terms and conditions; (3) any reference herein to an existing document or exhibit having been Filed or to be Filed shall mean that document or exhibit (as it may thereafter be amended, modified, or supplemented); (4) unless otherwise stated, all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time; (5) any reference herein to an Entity as a Holder of a Claim or Equity Interest includes that Entity's successors and assigns; (6) unless otherwise specified, all references herein to "**Articles**" are references to Articles hereof or hereto; (7) unless otherwise stated, the words "herein," "hereof," and "hereto" refer to the Specific Disclosure Statement in its entirety rather than to a particular portion of the Specific Disclosure Statement; (8) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of, or to affect, the interpretation hereof; (9) unless otherwise stated, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (10) any term used in capitalized form herein that is not otherwise defined herein shall have the meaning ascribed to that term in the Plan; (11) any term used in capitalized form herein that is not otherwise defined herein or in the Plan, but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable; (12) in computing any period of time prescribed or allowed, the provisions of Bankruptcy Rule 9006(a) shall apply, and if the date on which a transaction may occur pursuant to the Specific Disclosure Statement shall occur on a day that is not a Business Day, then such transaction shall instead occur on the next succeeding Business Day; and (13) unless otherwise specified, all references in the Specific Disclosure Statement to monetary figures shall refer to currency of the United States of America.

ARTICLE II PLAN OF REORGANIZATION

The terms of the Plan are incorporated by reference herein. The statements contained in the Specific Disclosure Statement include summaries of the provisions contained in the Plan and in the documents referred to therein, which are qualified in their entirety by reference to the Plan (as well as the exhibits thereto and definitions therein), which is attached hereto as Exhibit A. The statements contained in the Specific Disclosure Statement do not purport to be precise or complete statements of all the terms and provisions of the Plan or documents referred to therein, and reference is made to the Plan and to such documents for the full and complete statement of such terms and provisions of the Plan or documents referred to therein.

The Plan itself and the documents referenced therein control the actual treatment of Claims against, and Equity Interests in, LightSquared under the Plan and will, upon the occurrence of the Effective Date, be binding upon all Holders of Claims against, and Equity Interests in, LightSquared, LightSquared's Estates, the Reorganized Debtors, all parties receiving property under the Plan, and other parties in interest. In the event of any conflict between the Specific Disclosure Statement, the General Disclosure Statement, and the Plan or any other operative document, the terms of the Plan and/or such other operative document shall control.

ARTICLE III VALUATION ANALYSIS AND FINANCIAL PROJECTIONS

A. Valuation Analysis

[TO BE FILED IN ADVANCE OF DISCLOSURE STATEMENT HEARING]

B. Financial Projections

As a condition to confirmation of a chapter 11 plan, the Bankruptcy Code requires, among other things, that a bankruptcy court find that confirmation "is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is proposed in the plan." 11 U.S.C. § 1129(a)(11). For the purposes of determining whether the Plan satisfies feasibility standards, certain financial projections, which will be filed in advance of the Disclosure Statement Hearing as Exhibit B (the "Projections") analyze the Reorganized Debtors' ability to meet their obligations under the Plan and to maintain sufficient liquidity and capital resources to conduct the Reorganized Debtors' businesses. The Projections will also assist each Holder of a Claim or Equity Interest in the Voting Classes in determining whether to vote to accept or reject the Plan.

The Plan Proponents believe that the Plan meets the feasibility requirement set forth in section 1129(a)(11) of the Bankruptcy Code, as confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Reorganized Debtors. In general, as illustrated by the Projections, the Plan Proponents believe that the Reorganized Debtors will be financially viable. Indeed, the Plan Proponents believe that the Reorganized Debtors will have sufficient liquidity, assuming the availability of the Working Capital Facility, to fund obligations as they arise, thereby maintaining value. Accordingly, the Plan Proponents believe that the Plan satisfies the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code. LightSquared prepared the Projections in good faith based upon, among other things, the estimates and assumptions as to the future financial condition and results of operations of the Reorganized Debtors. Although the Projections represent LightSquared's best estimates of the results of LightSquared's operations and financial position after giving effect to the reorganization contemplated under the Plan, and although LightSquared believes it has a reasonable basis for the Projections as of the date hereof, the Projections are only estimates, and actual results may vary considerably from forecasts. Consequently, the inclusion of the information regarding the Projections herein should not be regarded as a representation by the Plan Proponents, their advisors, or any other Entity that the forecast results will be achieved.

The estimates and assumptions in the Projections, while considered reasonable by LightSquared's management, may not be realized and are inherently subject to a number of uncertainties and contingencies. The Projections also are based on factors such as industry performance and general business, economic, competitive, regulatory, market, and financial conditions, all of which are difficult to predict and generally beyond LightSquared's control. Because future events and circumstances may well differ from those assumed, and unanticipated events or circumstances may occur, the Plan Proponents expect that the actual and projected results will differ, and the actual results may differ materially from those contained in the Projections. No representations can be made as to the accuracy of the Projections or the Reorganized Debtors' ability to achieve the projected results. Therefore, the Projections may not be relied upon as a guaranty or other assurance of the actual results that will occur. The inclusion of the Projections herein should not be regarded as an indication that the Plan Proponents considered or consider the Projections to reliably predict future performance. The Projections are subjective in many respects and, thus, are susceptible to interpretations and periodic revisions based on actual experience and developments. The Plan Proponents do not intend to update or otherwise revise the Projections to reflect the occurrence of future events, even if assumptions underlying the Projections are not borne out. The Projections should be read in conjunction with the assumptions and qualifications set forth herein.

The projections were not prepared with a view towards complying with the guidelines for prospective financial statements published by the American Institute of Certified Public Accountants. An independent auditor has neither compiled nor examined the accompanying prospective financial information to determine the reasonableness thereof and, accordingly, has not expressed an opinion or any other form of assurance with respect thereto.

LightSquared does not, as a matter of course, publish projections of its anticipated financial position, results of operations, or cash flows. Accordingly, the Plan Proponents do not intend to, and disclaim any obligation to: (1) furnish updated projections to (a) Holders of Claims or Equity Interests prior to the Effective Date, (b) holders of claims under the Working Capital Facility, the Second Lien Exit Facility, and the Reorganized LightSquared Inc. Exit Facility (collectively, the Reorganized Debtors' Loan Facilities"), (c) holders of the New LightSquared Interests (unless otherwise required to do so), or (d) any other Entity after the Effective Date; (2) include any such updated information in any documents that may be required to be filed with the Securities and Exchange Commission; or (3) otherwise make such updated information publicly available. LightSquared periodically issues press releases reporting financial results, and Holders of Claims or Equity Interests are urged to review any such press releases when, and as, issued.

The Projections were not prepared with a view toward general use, but rather for the limited purpose of providing information in conjunction with the Plan. In addition, the Projections have been presented in lieu of pro forma historical financial information. Reference should be made to Article V hereof, entitled "**Plan-Related Risk Factors To Confirming And Consummating Plan**" for a discussion of the risks related to the Plan.

The Projections assume that the Plan will be consummated in accordance with its terms and that all transactions contemplated by the Plan will be consummated by the assumed Effective

Date. Any significant delay in the assumed Effective Date of the Plan may have a significant negative impact on the operations and financial performance of the Reorganized Debtors.

ARTICLE IV CERTAIN PLAN MATTERS

As mentioned, a description of the procedures and requirements to achieve Confirmation of the Plan is provided in Article IV of the General Disclosure Statement, entitled “**Confirmation Procedures.**” The Plan Proponents believe that: (a) the Plan satisfies or will satisfy all of the statutory requirements of chapter 11 of the Bankruptcy Code; (b) it has complied or will have complied with all of the requirements of chapter 11 of the Bankruptcy Code; and (c) the Plan has been proposed in good faith. This section discusses certain specific requirements for confirmation of the Plan, including that the Plan is (y) in the “best interests” of creditors and equity interest holders that are Impaired under the Plan and (z) feasible.

A. Best Interests of Creditors Test

Please refer to (1) Article IV.C.2 of the General Disclosure Statement, entitled “**Best Interests of Creditors Test and Liquidation Analysis**” for a description of the confirmation requirement for a chapter 11 plan to be in the “best interests” of holders of claims and equity interests and (2) Exhibit C attached to the General Disclosure Statement setting forth an analysis of the estimated aggregate amount of liquidation proceeds available to Holders of Claims or Equity Interests in a hypothetical chapter 7 liquidation of LightSquared. In addition, a comparison of the estimated recoveries of Holders of Claims or Equity Interests in a hypothetical chapter 7 liquidation of LightSquared and the estimated recoveries of Holders of Claims or Equity Interests under the Plan will be filed in advance of the Disclosure Statement Hearing as Exhibit C (the “Liquidation Analysis/Comparison”). As the Liquidation Analysis attached to the General Disclosure Statement ran through December 31, 2013, the Liquidation Analysis/Comparison provides a continuation of such previous analysis through [September 30], 2015 to provide a comprehensive liquidation analysis with respect to the Plan.

Under the Plan, Inc. Classes 5, 6, 7A, 7B, 8A, 8B, 11, and 12 are “Impaired,” and the Holders in such Classes are entitled to vote to accept or reject the Plan. Because the Bankruptcy Code requires that Holders of Impaired Claims or Equity Interests either accept the Plan or receive at least as much under the Plan as they would in a hypothetical chapter 7 liquidation, the operative “best interests” inquiry in the context of the Plan is whether in a chapter 7 liquidation (after accounting for recoveries by Holders of Unimpaired or unclassified Claims), the Holders of Impaired Claims or Equity Interests will receive more than under the Plan. The Plan is not in the best interests of Impaired Claims or Equity Interest Holders if the probable distribution to the Impaired Claims or Equity Interest Holders under a hypothetical chapter 7 liquidation is greater than the distributions to be received by such Holders under the Plan.

The Plan Proponents believe that the value of any distributions in a chapter 7 case would be the same or less than the value of distributions under the Plan. In particular, proceeds generated in a chapter 7 liquidation are likely to be significantly discounted due to the distressed nature of the sale. Holders of Impaired Claims or Equity Interests will likely receive at least as much or more of a recovery under the Plan because, among other things, the continued operation

of LightSquared as a going concern, rather than a chapter 7 liquidation, will allow the realization of more value on account of the Assets of LightSquared. A chapter 7 liquidation also would give rise to additional costs, expenses, and Administrative Claims, including the fees and expenses of a chapter 7 trustee, further reducing Cash available for distribution. In the event of a chapter 7 liquidation, the aggregate amount of General Unsecured Claims no doubt will increase as a result of rejection of a greater number of LightSquared's Executory Contracts and Unexpired Leases. All of these factors lead to the conclusion that recoveries under the Plan would be greater than the recoveries available in a chapter 7 liquidation.

Accordingly, the Plan Proponents believe that the Plan meets the "best interests" test as set forth in section 1129(a)(7) of the Bankruptcy Code. The Plan Proponents believe that the members of each Class that is Impaired will receive at least as much as they would if LightSquared were liquidated under chapter 7 of the Bankruptcy Code.

B. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires the Bankruptcy Court to find, as a condition to confirmation, that confirmation "is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is proposed in the plan." Under the Plan, Holders of Allowed Claims will receive cash, new debt, and/or equity, to the extent applicable, in accordance with the Plan. Moreover, the Plan Proponents believe that the Reorganized Debtors, as applicable, will have sufficient liquidity to fund obligations as they arise. Specifically, the Working Capital Facility will provide sufficient liquidity to fund the continued operation of the Reorganized Debtors' businesses. Additionally, set forth on Exhibit B are the Projections for the Reorganized Debtors, which analyze the Reorganized Debtors' ability to meet their obligations under the Plan and to maintain sufficient liquidity and capital resources to conduct their businesses. Based upon the Projections (but subject to assumptions made in connection therewith), the Plan Proponents submit that further reorganization or liquidation of the Reorganized Debtors is not likely to be required. Accordingly, the Plan Proponents believe that the Plan satisfies the financial feasibility requirements of section 1129(a)(11) of the Bankruptcy Code.

ARTICLE V PLAN-RELATED RISK FACTORS TO CONFIRMING AND CONSUMMATING PLAN

The following provides a summary of various important considerations and risk factors associated with the Plan; however, it is not exhaustive. **Prior to deciding whether and how to vote on the Plan, Holders of Claims or Equity Interests in a Voting Class should read and consider carefully all of the information in the Plan, the General Disclosure Statement (including the risk factors set forth therein), and the Specific Disclosure Statement (including the risk factors set forth herein), as well as all other information referenced or incorporated by reference into the General Disclosure Statement or the Specific Disclosure Statement.**

Please refer to Article V of the General Disclosure Statement, entitled “**General Risk Factors**” for a description of (a) risk factors affecting LightSquared, including business-related risks, regulatory risks, and legal proceedings, (b) risks that information in the General Disclosure Statement may be inaccurate, and (c) risks related to liquidation under chapter 7 of the Bankruptcy Code.

A. Certain Bankruptcy Law Considerations

1. Parties in Interest May Object To Plan’s Classification of Claims and Equity Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a class of claims or equity interests in a particular class only if such claim or equity interest is substantially similar to the other claims and equity interests in such class. Based on the facts and circumstances and settlements embodied in the Plan, the Plan Proponents believe that the classification of Claims and Equity Interests under the Plan complies with the requirements set forth in the Bankruptcy Code, because each Class created by the Plan Proponents contains Claims or Equity Interests that are substantially similar to the other Claims or Equity Interests in each such Class.

2. Plan May Not Receive Requisite Acceptances

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Plan Proponents intend to seek Confirmation of the Plan. If the Plan does not receive the required support from the Voting Classes, the Plan Proponents may elect to amend the Plan.

3. Plan Proponents May Not Be Able To Obtain Confirmation of Plan

The Plan Proponents cannot ensure that they will receive the requisite acceptances to confirm the Plan. Even if the Plan Proponents receive the requisite acceptances, the Plan Proponents cannot ensure that the Bankruptcy Court will confirm the Plan. The Bankruptcy Court may decline to confirm the Plan if it found that any of the statutory requirements for Confirmation had not been met. As discussed in further detail in Article IV of the General Disclosure Statement, section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan and requires, among other things: (a) a finding by a bankruptcy court that the plan “does not unfairly discriminate” and is “fair and equitable” with respect to any non-accepting classes under section 1129(b) of the Bankruptcy Code; (b) that confirmation “is not likely to be followed by a liquidation, or the need for further financial reorganization” under section 1129(a)(11) of the Bankruptcy Code; and (c) the value of distributions to non-accepting Holders of Claims or Equity Interests within an impaired class will not be “less than the amount that such Holder would receive or retain if the debtor were liquidated under chapter 7” of the Bankruptcy Code pursuant to section 1129(a)(7) of the Bankruptcy Code. While the Plan Proponents believe that the Plan complies with section 1129 of the Bankruptcy Code, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

The Plan Proponents, subject to the terms and conditions of the Plan and/or Plan Support Agreement (including the consent rights provided to the relevant parties therein), reserve the

right to modify the terms of the Plan as necessary for Confirmation. Any such modification could result in a less favorable treatment of any non-accepting Class or Classes, as well as of any Classes junior to such non-accepting Classes, than the treatment currently provided in the Plan. Such a less favorable treatment could include a distribution of property to the Class affected by the modification of a lesser value than currently provided in the Plan or no distribution of property whatsoever under the Plan.

4. Plan Proponents May Not Obtain Recognition from Canadian Court

As a condition precedent to the Effective Date, the Plan requires that the Canadian Court shall have entered the Confirmation Recognition Order and such order shall have become a Final Order. The Plan Proponents believe that such order will be approved and entered by the Canadian Court and become a Final Order for all purposes under the Plan; however, there can be no guaranty as to such outcome.

5. Plan Proponents May Not Be Able To Consummate Plan

Although the Plan Proponents believe that they will be able to consummate the Plan and the Effective Date will occur, there can be no assurance as to timing or the likelihood of the occurrence of the Effective Date. Consummation of the Plan is also subject to certain conditions set forth in the Plan itself. If the Plan is not consummated, it is unclear what distributions to the Holders of Allowed Claims or Equity Interests would ultimately receive with respect to their Claims and Equity Interests.

In addition, the Effective Date may not occur, or may be delayed, to the extent one or more parties appeals the entry of the Confirmation Order and an appellate court stays such order.

6. Plan Proponents May Object to Amount or Classification of Claim

Except as otherwise provided in the Plan, each of the Plan Proponents reserves the right to object to the amount or classification of any Claim or Equity Interest. The estimates set forth in the Specific Disclosure Statement cannot be relied on by any Holder of a Claim or Equity Interest where such Claim or Equity Interest is subject to an objection. Any Holder of a Claim or Equity Interest may not receive its specified share of the estimated distributions described in the Specific Disclosure Statement.

7. Contingencies Not To Affect Votes of Impaired Classes To Accept Plan

The distributions available to Holders of Allowed Claims and Equity Interests under the Plan can be affected by a variety of contingencies. The occurrence of any and all such contingencies, which could affect distributions available to Holders of Allowed Claims and Equity Interests under the Plan, however, will not require re-solicitation of the Impaired Classes.

B. Factors Affecting LightSquared

LightSquared is exposed to various factors and risks that include, without limitation, the following.

1. Regulatory Risks

a. LightSquared May Not Receive FCC Consents To Emerge From Chapter 11 in Accordance with Terms of Plan in Timely Fashion

The effectiveness of the Plan would result in an assignment and/or transfer of control requiring prior FCC consent(s) under the Communications Act and the FCC's implementing rules. Under those rules, any proposed buyer or buyer group must be "qualified" and capable of satisfying requirements established under FCC policies with respect to foreign ownership, character, spectrum aggregation, competition, etc., taking into account the existing spectrum holdings and market position of the buyer or buyer group. In connection with any assignment or transfer of control, other FCC consents also could be required. For example, under the Communications Act and the FCC's implementing rules, a common carrier licensee must petition the FCC for approval of specific foreign ownership in excess of a twenty-five percent (25%) threshold (or twenty percent (20%) in some cases). The filing and grant of such a petition could be required in connection with the Plan to the extent it results in any material change in the indirect foreign ownership of the holder of an FCC authorization. There is no set timetable for the processing of such applications and related filings.

b. FCC Action Could Prevent the Satisfaction of Conditions Precedent to Confirmation and the Effective Date

The Confirmation and Effective Date of the Plan are conditioned on the FCC not having taken certain adverse actions with respect to any Material Regulatory Request (as that term is defined in the Plan). LightSquared can provide no assurance that the FCC will not take such action, which could frustrate the company's efforts to emerge from bankruptcy under the Plan and also could inhibit certain potential uses of the company's spectrum rights and adversely impact its valuation.

c. Transactions Contemplated by Plan May Require Various Other Regulatory Approvals

Various other regulatory approvals, including the expiry of certain statutory waiting periods, may be required to give effect to the transactions contemplated in the Plan, including approvals and/or pre-merger filings under the *Investment Canada Act*, the *Competition Act* (Canada), the *Radiocommunication Act* (Canada), and the *Defence Production Act* (Canada). There is no guaranty that such approvals would be obtained in a timely manner or, possibly, at all. In addition, obtaining these approvals could result in one or more delays in completing the transactions or the imposition of onerous and/or materially disadvantageous terms and conditions.

2. Business-Related Risks

a. LightSquared Will Emerge with Substantial Indebtedness, Which May Adversely Affect Cash Flow, Reduce LightSquared's Ability To Obtain Additional Financing, and Limit LightSquared's Ability To Operate Its Business

LightSquared will emerge from bankruptcy a highly leveraged company as a result of entering into the Reorganized Debtors' Loan Facilities. LightSquared's substantial indebtedness could limit its ability to incur additional indebtedness or issue equity, which it would need to fund its operating expenses.

Although certain of the agreements governing LightSquared's indebtedness place limitations on the amount of indebtedness it may incur, LightSquared may be able to incur substantial amounts of additional indebtedness in the future and, as a result, it may become even more highly leveraged. If LightSquared incurs additional indebtedness, the related risks could intensify.

b. Reorganized Debtors' Loan Facilities Contemplated Under Plan May Contain Covenants that May Limit Financial Flexibility, and LightSquared May Incur Additional Future Debt

The Reorganized Debtors' Loan Facilities contemplated by the Plan may contain covenants that restrict LightSquared's ability to raise additional financing, which may be in LightSquared's long-term interest. In addition, LightSquared may incur other indebtedness in the future that may contain financial or other covenants more restrictive than those of the Reorganized Debtors' Loan Facilities. Such restrictions may adversely affect LightSquared's ability to finance future operations or capital needs and respond to changes in its business or the wireless industry. LightSquared's ability to comply with any financial covenants may be affected by events beyond LightSquared's control, and there is no assurance that LightSquared will satisfy those requirements.

A breach of any of the restrictive covenants in the agreements governing LightSquared's indebtedness could result in a default, which could allow LightSquared's lenders to declare all outstanding borrowings, together with accrued interest and other fees, to be immediately due and payable, enforce their security interest, or require LightSquared to apply all available cash to repay these borrowings. If LightSquared is unable to repay outstanding borrowings when due, its lenders may have the right to proceed against the collateral granted to them to secure the debt owed to them.

c. LightSquared Faces Significant Competition from Companies that Are Larger and/or Have Greater Resources

LightSquared faces significant competition both from companies that are larger and/or have greater resources and from companies that may introduce new technologies. The Plan Proponents expect that parts of LightSquared's business will face competition from many well-established and well-financed competitors, including existing cellular and personal

communications service operators who have large established customer bases and may be able to roll out their businesses ahead of LightSquared. Many of these competitors have substantially greater access to capital and have significantly more operating experience than LightSquared.

LightSquared may also face competition from the entry of new competitors or from companies with new technologies, and LightSquared cannot predict the impact that this would have on any business plan it employs or the future results of operations.

d. LightSquared's Success Depends Upon Key Management Personnel, and LightSquared's Limited Liquidity and Related Business Risks May Make It Difficult To Retain Key Managers and, If Necessary, Attract New Managers

LightSquared's future success may depend upon the knowledge, ability, experience, and reputation of its personnel. The loss of key personnel and the inability to recruit and retain qualified individuals could adversely affect LightSquared's ability to implement its business strategy and to operate its businesses.

e. Adverse Conditions in U.S. and Global Economies Could Impact LightSquared's Results of Operations

Unfavorable general economic conditions, such as a recession or economic slowdown in the United States, could negatively affect the affordability of, and demand for, 4G LTE terrestrial wireless products and services. In difficult economic conditions, consumers may seek to reduce discretionary spending by electing to use fewer higher margin services or obtaining products and services under lower-cost programs offered by other companies. Similarly, under these conditions, the wholesale customers that LightSquared intends to serve may delay strategic decisions, including the rollout of new retail service offerings. Should these current economic conditions worsen, LightSquared likely would experience a decrease in revenues, which could have a material adverse effect on its results of operations.

C. Litigation Risks

To the extent that distributions available to Holders of Allowed Claims or Equity Interests under the Plan may be affected, in whole or in part, from recoveries from Causes of Action asserted by LightSquared or the Reorganized Debtors, there can be no assurance as to the outcome of such Causes of Action and the effect on distributions to be made to Holders of Allowed Claims or Equity Interests under the Plan. Additionally, there may be significant delays before any resolution of such Causes of Action and, therefore, any distributions made on account of such Causes of Action may not occur until much later in time.

D. Certain Tax Matters

For a discussion of certain United States federal income tax consequences of the Plan to certain Holders of Claims or Equity Interests and to the Reorganized Debtors, see Article VI hereof, entitled "**Certain United States Federal Income Tax Consequences.**"

This statement does not address the Canadian federal income tax considerations of the Plan (if any) to the Holders of Claims and Equity Interests. Holders to whom the Canadian federal income tax rules may be relevant should consult their own tax advisors.

ARTICLE VI CERTAIN UNITED STATES FEDERAL INCOME TAX MATTERS

The following is a discussion of certain United States federal income tax consequences of the Plan to LightSquared and certain Holders of Claims and Holders of Equity Interests that receive consideration from the Debtors pursuant to the Plan. This discussion does not address the United States federal income tax consequences to Holders of Claims or Holders of Equity Interests who are Unimpaired or Holders who are not entitled to vote because they are deemed to reject the Plan, and, except as specifically provided below, does not apply with respect to DIP Claims. Further, this discussion does not address the Canadian federal or provincial income or transactional tax considerations of the Plan (if any) to the Holders of Claims and Equity Interests. Holders to whom Canadian tax rules may be relevant should consult their own tax advisors.

ALL HOLDERS OF CLAIMS AND HOLDERS OF EQUITY INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE UNITED STATES FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

This discussion is based on the Internal Revenue Code of 1986 (as amended, the “Tax Code”), Treasury Regulations thereunder, and administrative and judicial interpretations and practice, all as in effect on the date of this Specific Disclosure Statement and all of which are subject to change, with possible retroactive effect. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty exists with respect to some of the tax consequences described below. No opinion of counsel has been obtained, and LightSquared does not intend to seek a ruling from the Internal Revenue Service (the “IRS”) as to any of the tax consequences of the Plan, including those items discussed below. The characterization of the Plan set forth in this discussion will not be binding on the IRS or the U.S. courts. Therefore, there can be no assurance that the IRS will not challenge one or more of the tax consequences of the Plan or that such characterization will be sustained by a U.S. court if so challenged. Except as otherwise specifically provided, this discussion applies solely to Holders that are U.S. Holders (defined below), and does not apply to Holders of Claims or Holders of Equity Interests that are otherwise subject to special treatment under United States federal income tax law (including, without limitation, banks, governmental authorities or agencies, financial institutions, insurance companies, tax-exempt organizations, brokers and dealers in securities, mutual funds, small business investment companies, regulated investment companies, partnerships, or other pass-through entities (and partners or members in such entities)). The following discussion assumes that Holders of Claims and Holders of Equity Interests hold such Claims and Equity Interests as “capital assets” within the meaning of section 1221 of the Tax Code. Moreover, this discussion does not purport to cover all aspects of United States federal income taxation that may apply to LightSquared and Holders of Claims or Holders of Equity Interests based upon their particular circumstances. Additionally, this discussion does not discuss any tax consequences that may arise under any laws other than United States federal

income tax law, including under state, local, or foreign tax law and does not address the United States “Medicare” tax on certain net investment income.

THE FOLLOWING DISCUSSION OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE SPECIFIC CIRCUMSTANCES OF A HOLDER OF A CLAIM OR A HOLDER OF AN EQUITY INTEREST. ALL HOLDERS OF CLAIMS AND ALL HOLDERS OF EQUITY INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

A. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF PLAN TO LIGHTSQUARED

For United States federal income tax purposes, LightSquared Inc. is the parent of an affiliated group of corporations that files a consolidated federal income tax return. Through December 31, 2013, this group has reported that it incurred United States federal tax net operating loss carryforwards (“NOLs”) of over \$2.8 billion, and it expects that additional NOLs will be generated in 2014 (such NOLs of the consolidated group of which LightSquared Inc. is the parent, the “Group NOLs”). Some small portion of these Group NOLs may be subject to existing limitations.

1. U.S. Federal Income Tax Consequences of Plan to LightSquared Inc.

It is anticipated that New LightSquared will be treated as a partnership for U.S. federal income tax purposes and the remainder of this discussion assumes that is the case. If New LightSquared is not treated as a partnership for U.S. federal income tax purposes, the tax consequences of the Plan to the Debtors and Holders of Claims may be materially different than described herein.

Pursuant to the Plan, on the Effective Date, each Reorganized Inc. Entity shall assign, contribute or otherwise transfer to New LightSquared substantially all of its assets, including all legal, equitable, and beneficial right, title, and interest thereto and therein, including, without limitation, all of its equity interests, if any, in any Reorganized Debtor (except as provided below), intellectual property, contractual rights, Retained Causes of Action, and the right to prosecute such Retained Causes of Action and receive the benefits therefrom; but excluding each Reorganized Inc. Entity’s tax attributes and direct or indirect equity interests in One Dot Four Corp., SkyTerra Rollup LLC, SkyTerra Rollup Sub LLC, TMI Communications Delaware, Limited Partnership, LightSquared Investors Holdings Inc. and SkyTerra Investors LLC. As consideration for the Reorganized Inc. Entities assigning, contributing or otherwise transferring their assets to New LightSquared, on the Effective Date, New LightSquared shall (a) issue to the Reorganized Inc. Entities (i) New LightSquared Common Interests, (ii) New LightSquared Series C Preferred Interests, (iii) New LightSquared Series B Preferred Interests, and (iv) New LightSquared Series A Preferred Interests; and (b) assume all obligations with respect to, and make the Plan Distributions required to be made under the Plan with respect to Allowed Inc. Other Priority Claims, Allowed Inc. Other Secured Claims, Allowed Prepetition Inc. Facility

Subordinated Claims, and Allowed Inc. General Unsecured Claims. The United States federal income tax consequences to LightSquared Inc. of the assignment, contribution, or transfers to New LightSquared and other transactions contemplated by the Plan are not certain. The transactions, taken together, may give rise to net taxable income or gain for LightSquared Inc. To the extent that transferors are treated as related to New LightSquared for tax purposes, certain tax rules may disallow all or part of any losses that may arise in connection with the transfer of individual Assets to New LightSquared, which could increase any overall net taxable income or gain.

As noted above, the LightSquared Inc. consolidated U.S. federal income tax group has significant NOLs, all or a portion of which may be used to offset all or a portion of any income recognized in connection with the implementation of the Plan. Depending on the amount of taxable income, NOLs may not be sufficient to offset U.S. federal taxable income, in which case implementation of the Plan may give rise to material cash taxes. Even if there are sufficient NOLs to offset all income recognized as a result of the consummation of the Plan, alternative minimum tax may be payable as described below. In addition, state and local income taxes may arise as a result of implementation of the Plan.

In general, an alternative minimum tax (“AMT”) is imposed on a corporation’s alternative minimum taxable income (“AMTI”) at a 20% rate to the extent such tax exceeds the corporation’s regular U.S. federal income tax for the year. AMTI is generally equal to regular taxable income with certain adjustments. For purposes of computing AMTI, certain tax deductions and other beneficial allowances are modified or eliminated. For example, only 90% of a corporation’s AMTI generally may be offset by available NOLs. The effect of this rule could cause LightSquared Inc. and the other corporate members of the LightSquared Inc. consolidated U.S. federal income tax group to be liable for U.S. federal income taxes in connection with income, if any, arising in connection with the transactions contemplated by the Plan, even if there are Group NOLs in excess of the amount of any such income.

2. Cancellation of Debt, Reduction of Tax Attributes and Deemed Distributions to LightSquared

In general, absent an exception, a debtor will realize and recognize cancellation of debt income (“COD Income”) upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of COD Income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied, over (b) the sum of (i) the amount of cash paid, (ii) the issue price of any new indebtedness issued in satisfaction of such existing indebtedness, and (iii) the fair market value of any other consideration given in satisfaction of such indebtedness at the time of the exchange. A corporate debtor will not, however, be required to include any amount of COD Income in gross income if the debtor is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding. In the case of a debtor that is a partnership, partners of such partnership will not be required to include any amount of COD Income of the partnership in gross income if such partner is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding. Instead, as a consequence of such exclusion, a debtor (or its partners) must reduce its tax attributes by the amount of COD Income that it excluded from gross income pursuant to section 108 of the Tax

Code. In general, tax attributes will be reduced in the following order: (A) NOLs; (B) most tax credits and capital loss carryovers; (C) tax basis in assets; and (D) foreign tax credits. A debtor (or partner) with COD Income may elect to reduce the basis of its depreciable assets pursuant to section 108(b)(5) of the Tax Code.

Under the Plan, most Claims will be satisfied with either Cash, debt obligations, and/or equity interests of New LightSquared. Whether LightSquared Inc. and its corporate subsidiaries will recognize COD Income will depend, in part, on the amount that they are considered to owe on the Claims against them for U.S. federal income tax purposes and the amount of Cash, the value of the equity interests and the issue price of the debt obligations, if any, transferred in exchange for the Claims, in each case as of the Effective Date. To the extent LightSquared Inc. or its subsidiaries that are taxed as corporations recognize (or are treated as recognizing through LightSquared LP) COD Income, such income will reduce tax attributes, including the Group NOLs.

3. Potential Limitations on NOLs and Other Tax Attributes

Following the Effective Date, the NOLs and certain other tax attributes of LightSquared that remain and are allocable to periods prior to the Effective Date (collectively, “pre-change losses”) may be subject to potential limitation under section 382 of the Tax Code. Any section 382 limitations apply in addition to, and not in lieu of, the use of attributes or the attribute reduction that results from COD Income, if any, arising in connection with the Plan.

Under section 382, if a corporation undergoes an “ownership change” and the corporation does not qualify for (or elects out of) the special bankruptcy exception in section 382(l)(5) of the Tax Code discussed below, the amount of its pre-change losses that may be utilized to offset future taxable income is subject to an annual limitation.

The transactions contemplated by the Plan are likely to constitute an “ownership change” of LightSquared Inc. and its corporate subsidiaries for these purposes.

a. General Annual Limitation

In general, the amount of the annual limitation to which a corporation that undergoes an ownership change will be subject is equal to the product of (i) the fair market value of the stock of the corporation *immediately before* the ownership change (with certain adjustments) multiplied by (ii) the “long term tax exempt rate” in effect for the month in which the ownership change occurs (e.g., 2.80% for ownership changes occurring in December, 2014). As discussed below, this annual limitation often may be increased in the event the corporation has an overall “built-in” gain in its assets at the time of the ownership change. For a corporation in bankruptcy that undergoes an ownership change pursuant to a confirmed bankruptcy plan, the fair market value of the stock of the corporation is generally determined immediately *after* (rather than before) the ownership change after giving effect to the discharge of creditors’ claims, but subject to certain adjustments; in no event, however, can the stock value for this purpose exceed the pre-change gross value of the corporation’s assets.

Any portion of the annual limitation that is not used in a given year may be carried forward, thereby adding to the annual limitation for the subsequent taxable year. However, if the

corporation does not continue its historic business or use a significant portion of its historic assets in a new business for at least two (2) years after the ownership change, the annual limitation resulting from the ownership change is reduced to zero (0), thereby precluding any utilization of the corporation's pre-change losses, absent any increases due to recognized built-in gains discussed below. Generally, NOLs expire twenty (20) years after the year in which they arose.

The annual limitation under section 382 of the Tax Code adjusts, in certain cases, for built-in gain or loss. If the loss corporation has a net unrealized built-in gain at the time of an ownership change, any built-in gains recognized (or, according to an Internal Revenue Service notice, treated as recognized) during the following five (5) years (up to the amount of the original net unrealized built-in gain) generally will increase the annual limitation in the year recognized, such that the loss corporation would be permitted to use its pre-change losses against such built-in gain income in addition to its regular annual allowance. Corresponding rules may reduce the corporation's ability to use losses if it has a built-in loss in its assets. In general, a loss corporation's (or consolidated group's) net unrealized built-in gain or loss will be deemed to be zero unless the amount is greater than the lesser of (i) \$10 million or (ii) 15% of the fair market value of its assets (with certain adjustments) before the ownership change. The Debtors expect that they have a substantial net unrealized built-in gain in their assets.

If section 382(l)(5) of the Tax Code, described below, does not apply (either because Reorganized LightSquared Inc. does not qualify or elects not to apply it), and Reorganized Inc. is treated as continuing its historic business or uses a significant portion of its historic assets in a new business for at least two (2) years after the ownership change of Reorganized LightSquared Inc. (there is no dispositive guidance on the application of the continuing business requirement on these particular facts), Reorganized LightSquared Inc. would retain the use and benefit of LightSquared's NOLs subject to the limitations described above.

b. Section 382(l)(5) Bankruptcy Exception

Under section 382(l)(5) of the Tax Code, an exception to the foregoing annual limitation rules generally applies where the shareholders and/or qualified (so-called "old and cold") creditors of a debtor receive or retain, in respect of their claims or equity interests, at least 50% of the vote and value of the stock of the reorganized debtor (or a controlling corporation if also in bankruptcy) pursuant to a confirmed chapter 11 plan. If section 382(l)(5) applies, the loss corporation's losses and tax credits will be reduced by the interest deductions claimed during the current and preceding three (3) taxable years with respect to any debt that was exchanged for equity pursuant to the Chapter 11 Cases. Moreover, if section 382(l)(5) applies and the debtor thereafter undergoes another ownership change within two (2) years, the debtor's pre-change losses with respect to such ownership change (which would include any pre-change loss as of the effective date of the plan of reorganization, to the extent not yet used or otherwise reduced, and any NOLs incurred in the interim) will be subject to a section 382 limitation of zero (0), which may effectively render such pre-change losses unavailable.

It is uncertain whether section 385(l)(5) of the Tax Code will apply to the ownership change that occurs as a result of the consummation of the Plan or, if it does apply, whether Reorganized Inc. will elect not to apply it. If section 382(l)(5) of the Tax Code does apply,

Reorganized Inc. would retain the full use and benefit of LightSquared's NOLs (excluding those NOLs of any corporate subsidiary transferred to New LightSquared, if any) remaining after taking into account the use of NOLs to offset gain, if any, recognized in connection with the transfers to New LightSquared as well as any reduction of NOLs for any COD Income and the use of NOLs against any other income arising in connection with the Plan. Any such NOLs may be substantial and will be available to Reorganized Inc., and not New LightSquared.

B. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO HOLDERS OF CLAIMS AND HOLDERS OF EQUITY INTERESTS UNDER PLAN

As used in this section of the Disclosure Statement, the term "U.S. Holder" means a beneficial owner of Claims or Equity Interests that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if a court within the United States is able to exercise primary jurisdiction over its administration and one or more U.S. persons have authority to control all of its substantial decisions, or if the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

If a partnership or other entity taxable as a partnership for U.S. federal income tax purposes holds Claims or Equity Interests, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. If you are a partner in a partnership holding any of such instruments, you should consult your own tax advisor.

1. Consequences to Holders of Claims

a. Holders of Prepetition LP Facility Non-SPSO Claims

In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Prepetition LP Facility Non-SPSO Claim against the LP Debtors, on the Effective Date, and except to the extent that a Holder of an Allowed Prepetition LP Facility Non-SPSO Claim agrees to less favorable treatment, each such Holder of an Allowed Prepetition LP Facility Non-SPSO Claim against the LP Debtors shall receive Tranche A Second Lien Exit Term Loans.

Any U.S. Holder of an Allowed Prepetition LP Facility Non-SPSO Claim should recognize gain or loss equal to the difference between (a) such Holder's basis in its Allowed Prepetition LP Facility Non-SPSO Claim and (b) the issue price (as defined below) of Tranche A Second Lien Exit Term Loans such Holder receives (other than to the extent amounts are allocable to accrued but unpaid interest, which amount will be treated as described below). A

portion of gain, if any, realized by a U.S. Holder of an Allowed Prepetition LP Facility Non-SPSO Claim may be deferred under the “installment method” of reporting and holders should contact their advisors about the potential application of the installment method of reporting and whether to make an election to not apply the installment sale rules.

Assuming the installment method of reporting income is not applied, a U.S. Holder’s tax basis in the Tranche A Second Lien Exit Term Loans received should equal the issue price of the Tranche A Second Lien Exit Term Loans on the Effective Date and the Holder’s holding period for such Tranche A Second Lien Exit Term Loans should begin on the day following the Effective Date.

The character of gain or loss recognized by a U.S. Holder as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including, but not limited to, the tax status of the Holder, whether the claim constitutes a capital asset in the hands of the Holder and how long it has been held, whether the claim was acquired at a market discount, and whether and to what extent the Holder previously had claimed a bad debt deduction. The deductibility of capital losses is subject to limitations.

b. Holders of Prepetition LP Facility SPSO Claims

In full and final satisfaction, settlement, release, and discharge of, and in exchange for, the Allowed Prepetition LP Facility SPSO Claims against the LP Debtors, on the Effective Date, and except to the extent that the Holder of an Allowed Prepetition LP Facility SPSO Claim agrees to less favorable treatment, such Holder of an Allowed Prepetition LP Facility SPSO Claim against the LP Debtors (or its designee) shall receive Tranche B Second Lien Exit Term Loans.

A U.S. Holder of an Allowed Prepetition LP Facility SPSO Claim should recognize gain or loss equal to the difference between (i) such Holder’s basis in its Allowed Prepetition LP Facility SPSO Claim and (ii) the issue price (as defined below) of Tranche B Second Lien Exit Term Loans such Holder receives (other than to the extent amounts are allocable to accrued but unpaid interest, which amount will be treated as described below). A portion of gain, if any, realized by a U.S. Holder of an Allowed Prepetition LP Facility SPSO Claim may be deferred under the “installment method” of reporting and holders should contact their advisors about the potential application of the installment method of reporting and whether to make an election to not apply the installment sale rules.

Assuming the installment method of reporting income is not applied, a U.S. Holder’s tax basis in the Tranche B Second Lien Exit Term Loans received should equal the issue price of the Tranche B Second Lien Exit Term Loans on the Effective Date and the Holder’s holding period for such Tranche B Second Lien Exit Term Loans should begin on the day following the Effective Date.

The character of gain or loss recognized by a U.S. Holder as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including, but not limited to, the tax status of the Holder, whether the claim constitutes a capital asset in the hands of the Holder and how long it has been held, whether the claim was acquired at

a market discount, and whether and to what extent the Holder previously had claimed a bad debt deduction. The deductibility of capital losses is subject to limitations.

c. Holders of Prepetition Inc. Facility Non-Subordinated Claims

The following describes the U.S. federal income tax consequences to a Holder of Prepetition Inc. Facility Non-Subordinated Claims other than SIG. On the Inc. Facilities Claims Purchase Closing Date, and in accordance with the JPM Inc. Facility Claims Purchase Agreement, SIG shall purchase in Cash from the Prepetition Inc. Facility Claim Sellers all rights, title, and interest to those Allowed Prepetition Inc. Facility Non-Subordinated Claims that are Acquired Inc. Facility Claims in exchange for the Acquired Inc. Facility Claims Purchase Price. The Acquired Inc. Facility Claims shall be converted into the Reorganized Inc. Exit Facility on the Effective Date.

Any U.S. Holder of Inc. Facility Non-Subordinated Claims on the Inc. Facilities Claims Purchase Date will recognize gain or loss equal to the difference between (a) such Holder's basis in its Allowed Inc. Facility Non-Subordinated Claim and (b) the amount of Cash received from SIG for the Acquired Inc. Facility Claims. The character of gain or loss recognized by a U.S. Holder as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including, but not limited to, the tax status of the Holder, whether the claim constitutes a capital asset in the hands of the Holder and how long it has been held, whether the claim was acquired at a market discount, and whether and to what extent the Holder previously had claimed a bad debt deduction. The deductibility of capital losses is subject to limitations.

SIG should contact its own tax advisor regarding the U.S. federal income tax consequences of the Plan to it in light of the various transactions it is entering into in connection with the Plan and its particular circumstances.

d. Holders of Prepetition Inc. Facility Subordinated Claims

In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Prepetition Inc. Facility Subordinated Claim and the termination of Liens securing such Claims and Harbinger's contribution to New LightSquared of the Harbinger Litigations, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Prepetition Inc. Facility Subordinated Claim agrees to any other treatment, each Holder of an Allowed Prepetition Inc. Facility Subordinated Claim shall receive Plan Consideration in the form of such Holder's pro rata share of (i) New LightSquared Series A Preferred Interests and (ii) New LightSquared Common Interests. Additionally, Harbinger is obtaining a call option to purchase from Reorganized LightSquared Inc., three percent (3%) of the New LightSquared Common Interests pursuant to the terms of the New LightSquared Interest Holders Agreement, and may be treated as receiving such option in part, in exchange for its Allowed Prepetition Inc. Facility Subordinated Claim and/or its transfer of the Harbinger Litigations.

The U.S. federal income tax consequences to a U.S. Holder of Prepetition Inc. Facility Subordinated Claims are uncertain and depend, in part, on a determination of the consideration such Holder is treated as receiving for its Prepetition Inc. Facility Subordinated Claims as compared to any consideration it is receiving for the Harbinger Litigations. **Harbinger should contact its own tax advisor regarding the U.S. federal income tax consequences of the Plan to it in light of the various transactions it is entering into in connection with the Plan and its particular circumstances.**

e. Issue Price

The issue price of a debt instrument will depend on whether it or property for which it is exchanged is considered to be “traded on an established market.” In general, a debt instrument will be treated as traded on an established market if, at any time during the thirty-one (31)-day period ending fifteen (15) days after the issue date, (i) a “sales price” for an executed purchase of the debt instrument appears on a medium that is made available to issuers of debt instruments, persons that regularly purchase or sell debt instruments, or persons that broker purchases or sales of debt instruments; (ii) a “firm” price quote for the debt instrument is available from at least one broker, dealer, or pricing service for property and the quoted price is substantially the same as the price for which the person receiving the quoted price could purchase or sell the property; or (iii) there are one or more “indicative” quotes available from at least one broker, dealer, or pricing service for property. If a debt instrument (or property for which it is exchanged) is traded on an established market, the issue price of the debt instrument is generally its fair market value (or the fair market value of the property for which it was issued) as of the date of the exchange. If a debt instrument (and property for which it is exchanged) is not traded on an established market, its issue price is generally its stated principal amount.

f. Accrued but Untaxed Interest

A portion of the consideration received by a Holder of Claims may be attributable to accrued but unpaid interest on such Claims. Any amounts treated as received for accrued interest should be taxable to that Holder as interest income if such accrued interest has not been previously included in the Holder’s gross income for United States federal income tax purposes. If the fair value of the consideration received by a Holder of Claims is not sufficient to fully satisfy all principal and interest on such Claims, the extent to which the consideration will be attributable to accrued interest is unclear. Under the Plan, the aggregate consideration to be distributed to a Holder of Claims will be allocated to the principal amount of the Holder’s Claims, with any excess allocated to accrued but unpaid interest, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan is binding for United States federal income tax purposes. The IRS could take the position, however, that the consideration received by the Holder should be allocated in some way other than as provided in the Plan. A Holder of an Allowed Claim should generally recognize a deductible loss to the extent the Holder previously included accrued interest in its gross income and such interest is not paid in full. A Holder of Claims that receives property other than cash in satisfaction of accrued interest should generally have a tax basis in such property that equals the fair market value of the property on the Effective Date and the Holder’s holding period for such property should begin on the day following the Effective Date. Holders

of Claims should consult their own tax advisors regarding the proper allocation of the consideration received by them under the Plan.

g. Market Discount

Holders of Claims may be affected by the “market discount” provisions of sections 1276 through 1278 of the Tax Code. Under these provisions, some or all of the gain recognized by a Holder may be treated as ordinary income (instead of capital gain), to the extent of the amount of accrued “market discount” on such Claims.

In general, a debt obligation with a fixed maturity of more than one (1) year that is acquired by a Holder on the secondary market (or, in certain circumstances, upon original issuance) is considered to be acquired with “market discount” as to that Holder if the debt obligation’s stated redemption price at maturity (or revised issue price as defined in section 1278 of the Tax Code, in the case of a debt obligation issued with original issue discount) exceeds the tax basis of the debt obligation in the Holder’s hands immediately after its acquisition. However, a debt obligation is not a “market discount bond” if the excess is less than a statutory *de minimis* amount (equal to 0.25% of the debt obligation’s stated redemption price at maturity, or revised issue price in the case of a debt obligation issued with original issue discount, multiplied by the number of complete years remaining until maturity at the time of the acquisition).

Any gain recognized by a Holder on the taxable disposition of Claims (determined as described above) that were acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while the Claims were considered to be held by the Holder (unless the Holder elected to include market discount in income as it accrued).

2. Consequences to Holders of Equity Interests

a. Consequences to Holders of Existing LP Preferred Units Equity Interests

In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Existing LP Preferred Units Equity Interest, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Existing LP Preferred Units Equity Interest agrees to any other treatment, each Holder of an Allowed Existing LP Preferred Units Equity Interest shall receive New LightSquared Series C Preferred Interests. Subject to the discussion below addressing the treatment of the exchange as a taxable exchange, a U.S. Holder of Allowed Existing LP Preferred Units Equity Interests could be treated as contributing such interests to New LightSquared in exchange for New LightSquared Series C Preferred Interests in a non-taxable transaction governed by section 721 of the Tax Code. In this case, a Holder would not recognize gain or loss on the transaction, would have a tax basis in the New LightSquared Series C Preferred Interests equal to its tax basis in the Allowed Existing LP Preferred Units Equity Interests, and would have a holding period for the New LightSquared Series C Preferred Interests includes its holding period for the Allowed Existing LP Preferred Units Equity Interests.

Alternatively, it may be possible that the exchange of Allowed Existing LP Preferred Units Equity Interest for New LightSquared Series C Preferred Interests will be a taxable exchange. Accordingly, an exchanging U.S. Holder would recognize gain or loss in an amount equal to the difference, if any, between the fair market value of the New LightSquared Series C Preferred Interests and its tax basis in the Existing LP Preferred Units Equity Interests exchange therefor. A Holder's holding period in the New LightSquared Series C Preferred Interests should begin on the day following the Effective Date. The character of gain or loss recognized by a U.S. Holder as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by a number of factors, including, but not limited to, the tax status of the Holder, whether its interests constitute capital assets in the hands of the Holder and how long they have been held. The deductibility of capital losses is subject to limitations.

b. Consequences to Holders of Existing Inc. Preferred Stock Equity Interests

In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Existing Inc. Preferred Stock Equity Interest, each Existing Inc. Preferred Stock Equity Interest shall be cancelled and, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Existing Inc. Preferred Stock Equity Interest agrees to less favorable treatment, the Plan provides that each Other Existing Inc. Preferred Equity Holder shall receive on account of its Allowed Existing Inc. Preferred Stock Equity Interest such Holder's pro rata share of New LightSquared Series C Preferred Interests and SIG shall receive on account of its Existing Inc. Preferred Stock Equity Interests 100% of the Reorganized Inc. Common Equity issued as of the Effective Date.

Subject to the discussion below regarding accrued yield, an Other Existing Inc. Preferred Equity Holder that is a U.S. Holder will recognize gain or loss in an amount equal to the difference, if any, between (i) the fair market value of the New LightSquared Series C Preferred Interests received and (ii) the Holder's adjusted tax basis in its Existing Inc. Preferred Stock Equity Interests. A Holder's tax basis in the New LightSquared Series C Preferred Interests received should equal their fair market values as of the Effective Date, and the Holder's holding period for the Series C Preferred Interests received should begin on the day following the Effective Date.

Notwithstanding the foregoing, if (i) there is accrued but unpaid yield on the Existing Inc. Preferred Stock Equity Interests and (ii) LightSquared Inc. has current or accumulated earnings and profits (as determined for United States federal income tax purposes) at the end of the taxable year that includes the Effective Date, the portion of the consideration received in exchange for the unpaid yield will be treated as dividend income to the extent of LightSquared Inc.'s earnings and profits. In that case, a Holder's basis in the consideration received in respect of accrued yield paid out of LightSquared Inc.'s earnings and profits would be the fair market value of such consideration on the Effective Date, and the Holder's holding period for the consideration should begin on the day following the Effective Date.

SIG should contact its own tax advisor regarding the U.S. federal income tax consequences of the Plan to it in light of the various transactions it is entering into in connection with the Plan and its particular circumstances.

3. Consequences of Holding New LightSquared Equity Interests, Second Lien Exit Term Loans, Reorganized Inc. Common Equity and the Reorganized Inc. Exit Facility

a. New LightSquared Interests

(i) Ownership of New LightSquared Equity Interests

As noted above, New LightSquared is expected to be treated as a partnership for United States federal income tax purposes and not as a publicly traded partnership taxed as a corporation. However, unless the relevant organizational documents or New LightSquared Interest Holders Agreement provides for restrictions on transferability of the New LightSquared Interests or on the type of income New LightSquared will generate, it is possible that New LightSquared may be or become a publicly traded partnership taxable as a corporation in which case the tax consequences would be materially different from those described herein. Assuming New LightSquared is taxed as a partnership, it will generally not be subject to U.S. federal income tax. Instead, its taxable income or loss will be allocated to Holders of equity interests in New LightSquared based on United States federal income tax rules. Allocation of taxable income to a holder of New LightSquared Common Interests or New LightSquared Preferred Interests may result in such Holder being required to pay tax on such income in advance of its receipt of cash distributions from New LightSquared. In that case, a Holder would be required to fund any such taxes from other sources.

In addition, to the extent a U.S. Holder of New LightSquared Preferred Interests is or will be entitled to a payment that is determined without regard to New LightSquared's income, such Holder may be treated as receiving guaranteed payments under section 707(c) of the Tax Code. A U.S. Holder would generally have ordinary income to the extent of any guaranteed payment received (or deemed received as it accrues) with respect to New LightSquared Preferred Interest.

(ii) Sale or Exchange of New LightSquared Interests

For U.S. federal income tax purposes, a Holder generally will recognize gain or loss on the sale, exchange, or other taxable disposition of any of its New LightSquared Interests in an amount equal to the difference, if any, between the amount realized for the New LightSquared Interests and the Holder's adjusted tax basis in such interests. All or a portion of any such gain or loss may be ordinary in character if it relates to certain so-called "hot assets" of Reorganized LightSquared. Capital gains of non-corporate Holders derived with respect to a sale, exchange, or other disposition of New LightSquared Interests held for more than one (1) year may be eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

(iii) Non-U.S. Holders of New LightSquared Interests

While this discussion generally does not address the tax consequences to a person other than a U.S. Holder, a Holder of New LightSquared Interests that is *not* a U.S. Holder may, as a result of owning an interest in a United States partnership, be attributed income effectively connected with a United States trade or business, and be subject to United States tax and tax filing requirements with respect to its share of income from such trade or business as if it were a U.S. Holder. Such a Holder may also be subject to United States federal income tax on any gain arising in connection with a disposition of New LightSquared Interests. A Holder of New LightSquared Interests that is not a U.S. Holder should contact its own tax advisor.

b. Second Lien Exit Term Loans

A debt instrument, such as a Second Lien Exit Term Loan, is treated as issued with original issue discount (“OID”) for U.S. federal income tax purposes if its issue price (determined in the manner described above) is less than its stated redemption price at maturity by more than a *de minimis* amount. A debt instrument’s stated redemption price at maturity includes all principal and interest payable over the term of the debt instrument, other than “qualified stated interest.” Stated interest is “qualified stated interest” if it is unconditionally payable in cash or property (other than the issuer’s debt instruments) at least annually. Interest on the Second Lien Exit Term Loans will not be unconditionally payable in cash or property at least annually. Accordingly, the Second Lien Exit Term Loans is expected to be treated as issued with OID with the amount of OID dependent, in part, on the issue price of the Second Lien Exit Term Loans.

A U.S. Holder receiving the Second Lien Exit Term Loans will generally be required to include any OID in income over the term of such loans in accordance with a constant yield-to-maturity method, regardless of whether the Holder is a cash or accrual method taxpayer, and regardless of whether and when the Holder receives cash payments of interest on its loans (other than cash attributable to qualified stated interest, which is includible in income in accordance with the Holder’s normal method of tax accounting). Accordingly, a U.S. Holder could be treated as receiving income in advance of a corresponding receipt of cash. Any OID that a U.S. Holder includes in income will increase the tax basis of the Holder in the Second Lien Exit Term Loans. A U.S. Holder of the Second Lien Exit Term Loans will not be separately taxable on any cash payments that have already been taxed under the OID rules, but will reduce its tax basis in the pro rata shares of such loans by the amount of such payments.

c. Reorganized LightSquared Inc. Common Shares Issued Pursuant to the Plan

SIG should contact its own tax advisor regarding the U.S. federal income tax consequences of holding or disposing of the Reorganized LightSquared Inc. Common Shares.

d. The Reorganized LightSquared Inc. Exit Facility

SIG should contact its own tax advisor regarding the U.S. federal income tax consequences of holding or disposing of the Reorganized LightSquared Inc. Exit Facility.

4. Information Reporting and Backup Withholding

In general, information reporting requirements may apply to distributions or payments under the Plan. Additionally, under the backup withholding rules, a Holder of a Claim or Equity Interest may be subject to backup withholding (at a rate of 28%) with respect to distributions or payments made pursuant to the Plan unless that Holder: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact or (b) provides a correct taxpayer identification number and certifies under penalty of perjury that its taxpayer identification number is correct and that the Holder is not subject to backup withholding because of a failure to report all dividend and interest income. Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded to the extent it results in an overpayment of tax; provided, however, that the required information is provided to the IRS.

THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF UNITED STATES FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF A CLAIM OR EQUITY INTEREST IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AND HOLDERS OF EQUITY INTERESTS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTION CONTEMPLATED BY THE RESTRUCTURING, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, OR FOREIGN TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS

ARTICLE VII CONCLUSION AND RECOMMENDATION

The Plan Proponents believe that Confirmation of the Plan is in the best interests of its Estates and all stakeholders and provides an opportunity to maximize value for Holders of Claims against and Equity Interests in the LightSquared entities. **Accordingly, the Plan Proponents urge all Holders of Claims or Equity Interests entitled to vote on the Plan to vote to accept the Plan and to evidence such acceptance by returning their Ballots so that they are received no later than 4:00 p.m. (prevailing Pacific time) on [____], 2015.**

New York, New York
Dated: December 18, 2014

**LIGHTSQUARED INC., LIGHTSQUARED LP,
AND THE OTHER DEBTORS IN THE
CHAPTER 11 CASES**

/s/ Douglas Smith
Douglas Smith
Chief Executive Officer, President, and
Chairman of the Board of LightSquared Inc.

New York, New York
Dated: December 18, 2014

**CENTERBRIDGE PARTNERS, L.P., ON
BEHALF OF CERTAIN OF ITS AFFILIATED
FUNDS**

By: /s/ Jared S. Hendricks
Name: Jared S. Hendricks
Title: Authorized Signatory

New York, New York
Dated: December 18, 2014

**FORTRESS CREDIT OPPORTUNITIES
ADVISORS LLC**

By: /s/ James K. Noble III
Name: James K. Noble III
Title: Secretary

New York, New York
Dated: December 18, 2014

HARBINGER CAPITAL PARTNERS LLC

By: /s/ Philip A. Falcone
Name: Philip A. Falcone
Title: Chief Executive Officer

HGW HOLDING COMPANY, L.P.

By: /s/ Philip A. Falcone
Name: Philip A. Falcone
Title: Chief Executive Officer

BLUE LINE DZM CORP.

By: /s/ Keith M. Hladek
Name: Keith M. Hladek
Title: Authorized Signatory

HCP SP INC.

By: /s/ Philip A. Falcone
Name: Philip A. Falcone
Title: President

Exhibit A

Joint Plan Pursuant to Chapter 11 of Bankruptcy Code

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

In re:

LIGHTSQUARED INC., *et al.*,

Debtors.¹

)
) Chapter 11
)
) Case No. 12-12080 (SCC)
)
) Jointly Administered
)

JOINT PLAN PURSUANT TO CHAPTER 11 OF BANKRUPTCY CODE

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(212) 806-5400
Counsel for Fortress Credit Opportunities
Advisors LLC*

Dated: New York, New York
December 18, 2014

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

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INTRODUCTION

Fortress, Centerbridge, Harbinger, and the Debtors, as the Plan Proponents, hereby respectfully propose the following joint chapter 11 plan for the resolution of outstanding claims against, and interests in, the Debtors pursuant to title 11 of the United States Code, 11 U.S.C. §§ 101-1532. Reference is made to the Disclosure Statement for a discussion of the Debtors' history, businesses, assets, results of operations, and projections of future operations, as well as a summary and description of the Plan and certain related matters. The Plan Proponents reserve the right to alter, amend, modify, revoke, or withdraw the Plan (each in accordance with, and subject to, the terms of the Plan Support Agreement or, in the case of the Debtors, the terms of the Plan), prior to its substantial consummation.

Among other things, the Plan provides for the satisfaction in full of all Allowed Claims against the Debtors, provides for a recovery to Holders of Existing Inc. Preferred Stock and Existing LP Preferred Units and resolves certain significant issues between the LP Debtors' Estates and the Inc. Debtors' Estates. The Plan is the product of months of mediation and significant negotiations and efforts by the various key constituents in the Chapter 11 Cases, as well as the mediator appointed by the Bankruptcy Court, to broker as much consensus as possible and develop a restructuring plan that will achieve maximum returns for the Estates and stakeholders. Significantly, the Plan is a joint plan for both the Inc. Estates and the LP Estates, which, as numerous parties have consistently stated, is the best means to maximize value for the benefit of all Holders of Claims and Equity Interests and avoids potential litigation over numerous issues that would otherwise arise between the stakeholders of the Inc. Estates and the stakeholders of the LP Estates.

The New Investors, through the provision of new equity investments, new debtor in possession financing and the purchase of certain DIP Claims, are providing the Debtors with additional liquidity to fund the Debtors' operations through the Effective Date and to repay in full the Allowed DIP Inc. Claims and the Allowed DIP LP Claims. Additionally, as set forth herein, the Plan contemplates, among other things, (a) a first lien exit financing facility of \$1.25 billion, (b) the issuance of new debt and equity instruments, (c) the assumption of certain liabilities, and (d) the preservation of the Debtors' litigation claims.

Upon their emergence from bankruptcy, the Reorganized Debtors will have a sustainable capital structure and will be stronger and better positioned to avail themselves of significant upside value of the pending spectrum license modification applications. The Plan Proponents accordingly believe that the Plan is the highest and best restructuring offer available to the Debtors that will maximize the value of the Estates for the benefit of the Debtors' creditors and equity holders.

ALL HOLDERS OF CLAIMS OR EQUITY INTERESTS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

**ARTICLE I.
DEFINED TERMS, RULES OF INTERPRETATION,
COMPUTATION OF TIME, AND GOVERNING LAW**

A. Defined Terms

Unless the context otherwise requires, the following terms shall have the following meanings when used in capitalized form herein:

1. **“Accrued Professional Compensation Claims”** means, at any given moment, all accrued fees and expenses (including success fees) for services rendered by all Professionals through and including the Effective Date, to the extent such fees and expenses have not been paid and regardless of whether a fee application has been Filed for such fees and expenses, but in all events subject to estimation as provided in Article VII.C hereof. To the extent that the Bankruptcy Court denies or reduces by a Final Order any amount of a Professional’s fees or expenses, then the amount by which such fees or expenses are reduced or denied shall reduce the applicable Accrued Professional Compensation Claim.

2. **“Acquired Inc. Facility Claims”** means the Allowed Prepetition Inc. Facility Non-Subordinated Claims (inclusive of Inc. Facility Prepetition Interest and Inc. Facility Postpetition Interest allocable to the Inc. Facility Non-Subordinated Claims accrued through the Inc. Facilities Claims Purchase Closing Date but exclusive of the Prepetition Inc. Facility Repayment Premium and the Prepetition Inc. Fee Claims) purchased for Cash in an amount equal to the Acquired Inc. Facility Claims Purchase Price by SIG from the Prepetition Inc. Facility Claims Sellers on the Inc. Facilities Claims Purchase Closing Date pursuant to, and subject to the terms and conditions of, the JPM Inc. Facilities Claims Purchase Agreement.

3. **“Acquired Inc. Facility Claims Purchase Price”** means an amount equal to the Allowed amount of the Prepetition Inc. Facility Non-Subordinated Claims inclusive of Inc. Facility Prepetition Interest and Inc. Facility Postpetition Interest allocable to the Prepetition Inc. Facility Non-Subordinated Claims accrued through the Inc. Facilities Claims Purchase Closing Date but exclusive of the Prepetition Inc. Facility Repayment Premium and the Prepetition Inc. Fee Claims.

4. **“Administrative Claim”** means a Claim for costs and expenses of administration pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors (including wages, salaries, or commissions for services, and payments for goods and other services and leased premises); (b) compensation for legal, financial advisory, accounting, and other services, and reimbursement of expenses pursuant to sections 328, 330(a), or 331 of the Bankruptcy Code or otherwise for the period commencing on the Petition Date and ending on the Effective Date, including Accrued Professional Compensation Claims; (c) all fees and charges assessed against the Estates pursuant to chapter 123 of the Judicial Code, including the U.S. Trustee Fees; (d) the DIP Claims; (e) all requests for compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4), and (5) of the Bankruptcy Code; (f) any and all KEIP Payments; (g) all indemnification claims arising from

the postpetition services of the directors serving on the special committee of the boards of directors for LightSquared Inc. and LightSquared GP Inc., as approved by the Bankruptcy Court pursuant to the *Final Order (I) Approving Compensation for Independent Directors, (II) Authorizing Administrative Expense Priority for Indemnification Claims Arising From Postpetition Services of Independent Directors, and (III) Granting Related Relief* [Docket No. 897]; and (h) any fees and expenses that are earned and payable pursuant to the New DIP Facilities, the Working Capital Facility, the Plan, and the other Plan Documents, including the New Investor Fee Claims and the LP Group Fee Claims.

5. “**Administrative Claims Bar Date**” means the deadline for filing requests for payment of Administrative Claims, which shall be thirty (30) days after the Effective Date.

6. “**Affiliate**” has the meaning set forth in section 101(2) of the Bankruptcy Code.

7. “**Allowed**” means, with respect to Claims, any Claim that (a) is evidenced by a Proof of Claim Filed by the applicable Claims Bar Date or that is not required to be evidenced by a Filed Proof of Claim under the Bankruptcy Code or a Final Order, (b) is listed on the Schedules as of the Effective Date as not contingent, not unliquidated, and not disputed, and for which no Proof of Claim has been timely Filed, (c) has been compromised, settled, or otherwise resolved pursuant to the authority granted to the Debtors by a Final Order of the Bankruptcy Court, or (d) is Allowed pursuant to the Plan or a Final Order; provided, however, that with respect to any Claim described in clauses (a) or (b) above, such Claim shall be considered Allowed only if, and to the extent that, with respect to any Claim, no objection to the allowance thereof, request for estimation, motion to deem the Schedules amended, or other challenge has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, if any, or such a challenge is so interposed and the Claim shall have been Allowed for distribution purposes only by a Final Order. Any Claim that has been or is hereafter listed on the Schedules as contingent, unliquidated, or disputed, and for which no Proof of Claim has been timely Filed, is not considered Allowed and shall be expunged without further action by the Debtors or the Reorganized Debtors and without any further notice to or action, order, or approval of the Bankruptcy Court. Notwithstanding anything to the contrary herein, no Claim of any Entity subject to section 502(d) of the Bankruptcy Code shall be deemed Allowed unless and until such Entity pays in full the amount that it owes such Debtor or Reorganized Debtor, as applicable. In addition, “**Allowed**” means, with respect to any Equity Interest, such Equity Interest is reflected as outstanding (other than any such Equity Interest held by any Debtor or any subsidiary of a Debtor) in the stock transfer ledger or similar register of the applicable Debtor on the Distribution Record Date and is not subject to any objection or challenge.

8. “**Alternative Transaction**” means any letter of intent, memorandum of understanding, or agreement relating to, any chapter 11 plan, sale, proposal, or offer of dissolution, winding up, liquidation, reorganization, merger, or restructuring of the Debtors other than the Plan that pays in full in Cash (unless a particular Holder of Claims or Equity Interests agrees to different treatment) all Allowed Claims against or Equity Interests in the Debtors other than those set forth in Classes 13-16B.

9. “**Appeal**” means that certain cause of action captioned *Harbinger Capital Partners LLC, HGW US Holding Company LP, Blue Line DZM Corp., and Harbinger Capital Partners SP, Inc. v. SP Special Opportunities LLC, DISH Network Corporation, Echostar Corporation, Charles W. Ergen, Sound Point Capital Management LP, and Stephen Ketchum*, No. 14-MC-00234 (S.D.N.Y. filed June 19, 2014).

10. “**Assets**” means all rights, titles, and interest of the Debtors of any nature in property of any kind, wherever located, as specified in section 541 of the Bankruptcy Code.

11. “**Avoidance Actions**” means any and all actual or potential claims and causes of action to avoid a transfer of property or an obligation incurred by the Debtors pursuant to any applicable section of the Bankruptcy Code, including sections 502, 510, 542, 544, 545, 547-553, and 724(a) of the Bankruptcy Code, or under similar or related state or federal statutes and common law, including fraudulent transfer laws.

12. “**Ballot**” means the ballot upon which Holders of Claims or Equity Interests entitled to vote shall cast their vote to accept or reject the Plan.

13. “**Bankruptcy Code**” means title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as applicable to the Chapter 11 Cases, as may be amended from time to time.

14. “**Bankruptcy Court**” means the United States Bankruptcy Court for the Southern District of New York having jurisdiction over the Chapter 11 Cases, and, to the extent of the withdrawal of any reference under section 157 of the Judicial Code or the General Order of the District Court pursuant to section 151 of the Judicial Code, the United States District Court for the Southern District of New York.

15. “**Bankruptcy Rules**” means the Federal Rules of Bankruptcy Procedure, as applicable to the Chapter 11 Cases, promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Bankruptcy Court.

16. “**Bid 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* [Docket No. 892].

17. “**Business Day**” means any day, other than a Saturday, Sunday, or “legal holiday” (as defined in Bankruptcy Rule 9006(a)).

18. “**Canadian Court**” means the Ontario Superior Court of Justice (Commercial List) having jurisdiction over the CCAA Proceedings.

19. “**Canadian Proceeding**” means the proceedings commenced with respect to the Chapter 11 Cases in the Canadian Court pursuant to Part IV of the Companies’ Creditors Arrangement Act.

20. “**Cash**” means the legal tender of the United States of America or the equivalent thereof.

21. **“Causes of Action”** means any claim, cause of action, controversy, demand, right, action, Lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license, and franchise of any kind or character whatsoever, known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law. For purposes of clarity, Causes of Action includes, without limitation, the following: (a) any right of setoff, counterclaim, or recoupment and any claim on contracts or for breaches of duties imposed by law or in equity; (b) the right to object to Claims or Equity Interests; (c) any claim pursuant to section 362 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress, and usury and any other defenses set forth in section 558 of the Bankruptcy Code; (e) any Avoidance Actions; and (f) any cause of action listed on the Schedule of Retained Causes of Action.

22. **“CCAA Proceedings”** means the proceedings commenced by LightSquared LP, in its capacity as foreign representative of the Debtors pursuant to Part IV of the Companies’ Creditors Arrangement Act, R.S.C. 1985, c.C-36.

23. **“Centerbridge”** means Centerbridge Partners, L.P. on behalf of certain of its affiliated funds.

24. **“Certificate”** means any instrument evidencing a Claim or an Equity Interest.

25. **“Chapter 11 Cases”** means (a) when used with reference to a particular Debtor or group of Debtors, the chapter 11 case or cases pending for that Debtor or group of Debtors under chapter 11 of the Bankruptcy Code in the Bankruptcy Court and (b) when used with reference to all Debtors, the jointly administered chapter 11 cases pending for the Debtors in the Bankruptcy Court.

26. **“Claim”** means any claim against a Debtor as defined in section 101(5) of the Bankruptcy Code.

27. **“Claims and Equity Interests Objection Bar Date”** means the deadline for objecting to a Claim or Equity Interest, which shall be on the date that is the later of (a) six (6) months after the Effective Date and (b) such later period of limitation as may be specifically fixed by an order of the Bankruptcy Court.

28. **“Claims and Solicitation Agent”** means Kurtzman Carson Consultants LLC, the notice, claims, solicitation, and balloting agent retained by the Debtors in the Chapter 11 Cases.

29. **“Claims Bar Date”** means, with reference to a Claim, the date by which Proofs of Claim must be or must have been Filed with respect to such Claim, as ordered by the Bankruptcy Court pursuant to the Claims Bar Date Order or another Final Order of the Bankruptcy Court.

30. **“Claims Bar Date Order”** means the *Order Pursuant to 11 U.S.C. § 502(b)(9) and Fed. R. Bankr. P. 2002 and 3003(c)(3) Establishing Deadlines for Filing Proofs of Claim and Procedures Relating Thereto and Approving Form and Manner of Notice Thereof* [Docket No. 266].

31. “**Claims Register**” means the official register of Claims maintained by the Claims and Solicitation Agent.

32. “**Class**” means a category of Holders of Claims or Equity Interests as set forth in Article III hereof pursuant to section 1122(a) of the Bankruptcy Code.

33. “**Collateral**” means any property or interest in property of the Estates subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance or otherwise invalid under the Bankruptcy Code or applicable non-bankruptcy law.

34. “**Confirmation**” means the entry of the Confirmation Order on the docket of the Chapter 11 Cases.

35. “**Confirmation Date**” means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.

36. “**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.

37. “**Confirmation Hearing Date**” means the date of the commencement of the Confirmation Hearing.

38. “**Confirmation Order**” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, and granting other related relief, in form and substance satisfactory to each of the New Investors and the Debtors.

39. “**Confirmation Recognition Order**” means an order of the Canadian Court, which shall be in form and substance satisfactory to each of the New Investors and the Debtors, recognizing the entry of the Confirmation Order and vesting in the Reorganized Debtors all of the Debtors’ rights, titles, and interest in and to the Assets that are owned, controlled, regulated, or situated in Canada, free and clear of all Liens, Claims, charges, interests, or other encumbrances, in accordance with applicable law.

40. “**Consummation**” means the occurrence of the Effective Date.

41. “**Cure Costs**” means all amounts (or such lesser amount as may be agreed upon by the parties under an Executory Contract or Unexpired Lease) required to cure any monetary defaults under any Executory Contract or Unexpired Lease that is to be assumed, or assumed and assigned, by the Debtors pursuant to sections 365 or 1123 of the Bankruptcy Code.

42. “**D&O Liability Insurance Policies**” means all insurance policies of any of the Debtors for directors’, managers’, and officers’ liability.

43. “**Debtor**” means one of the Debtors, in its individual capacity as a debtor in these Chapter 11 Cases.

44. **“Debtors”** means, collectively, the Inc. Debtors and the LP Debtors.
45. **“DIP Agents”** means the DIP Inc. Agent and the New DIP Agents.
46. **“DIP Claim”** means a DIP Inc. Claim, a DIP LP Claim, or a New DIP Claim.
47. **“DIP Facilities”** means the DIP Inc. Facility, the DIP LP Facility, and the New DIP Facilities.
48. **“DIP Inc. Agent”** means U.S. Bank National Association, as Arranger, Administrative Agent, and Collateral Agent under the DIP Inc. Credit Agreement.
49. **“DIP Inc. Borrower”** means One Dot Six Corp., as borrower under the DIP Inc. Credit Agreement.
50. **“DIP Inc. Claim”** means a Claim held by the DIP Inc. Agent or DIP Inc. Lenders arising under or related to the DIP Inc. Facility, including, without limitation, all principal, interest, default interest, and exit fees provided for thereunder.
51. **“DIP Inc. Claims Sellers”** means the Holders of JPM Acquired DIP Inc. Claims immediately prior to the Inc. Facilities Claims Purchase Closing Date.
52. **“DIP Inc. Credit Agreement”** means that certain Senior Secured, Super-Priority Debtor-in-Possession Credit Agreement, dated as of July 19, 2012 (as amended, supplemented, restated, or otherwise modified from time to time in accordance with the terms thereof), among the DIP Inc. Obligors, the DIP Inc. Agent, and the DIP Inc. Lenders.
53. **“DIP Inc. Facility”** means that certain debtor in possession credit facility provided in connection with the DIP Inc. Credit Agreement and DIP Inc. Order.
54. **“DIP Inc. Fee Claims”** means all Claims for the reasonable, actual documented fees and expenses of the DIP Inc. Lenders and the DIP Inc. Agent, including, but not limited to, the fees and expenses of financial advisors and counsel, in each case to the extent payable pursuant to the DIP Inc. Order.
55. **“DIP Inc. Guarantors”** means LightSquared Inc., One Dot Four Corp., and One Dot Six TVCC Corp., as guarantors under the DIP Inc. Credit Agreement.
56. **“DIP Inc. Lenders”** means the lenders party to the DIP Inc. Credit Agreement from time to time.
57. **“DIP Inc. Obligors”** means the DIP Inc. Borrower and the DIP Inc. Guarantors.
58. **“DIP Inc. Order”** means 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, supplemented, or modified from time to time in accordance with the terms thereof).

59. **“DIP Lenders”** means the DIP Inc. Lenders, the DIP LP Lenders, and the New DIP Lenders.

60. **“DIP LP Borrower”** means LightSquared LP, as borrower under the DIP LP Facility.

61. **“DIP LP Claim”** means a Claim held by the DIP LP Lenders arising under or related to the DIP LP Facility, including, without limitation, all principal, interest, default interest, and fees provided for thereunder.

62. **“DIP LP Facility”** means that certain debtor in possession credit facility provided in connection with the DIP LP Order and related documents.

63. **“DIP LP Lenders”** means the lenders under the DIP LP Facility from time to time.

64. **“DIP LP Order”** means the *Final Order (A) Authorizing LP DIP Obligors To Obtain Seventh Replacement Superpriority Senior Secured Priming Postpetition Financing, (B) Granting Superpriority Liens and Providing Superpriority Administrative Expense Status, (C) Granting Adequate Protection, and (D) Modifying Automatic Stay* [Docket No. 1927] (as amended, supplemented, or modified from time to time in accordance with the terms thereof).

65. **“Disbursing Agent”** means, for Plan Distributions made prior to the Effective Date, the Debtors or the DIP Inc. Agent, to the extent it makes or facilitates Plan Distributions, and, for Plan Distributions made on or after the Effective Date, the Reorganized Debtors, or the Entity or Entities designated by the Reorganized Debtors, as applicable, to make or facilitate Plan Distributions pursuant to the Plan on or after the Effective Date, including, without limitation, the Prepetition Inc. Agent or the Prepetition LP Agent to the extent they make or facilitate Plan Distributions.

66. **“Disclosure Statement”** means, collectively, (a) the Specific Disclosure Statement and (b) the General Disclosure Statement (as either may be amended, supplemented, or modified from time to time, including all exhibits and schedules thereto and references therein that relate to the Plan, in each case, in accordance with the terms of the Plan Support Agreement or, in the case of the Debtors, the terms of the Plan).

67. **“Disclosure Statement Order”** means the order or orders entered by the Bankruptcy Court in the Chapter 11 Cases, in form and substance satisfactory to each of the New Investors and the Debtors, (a) approving the Disclosure Statement as containing adequate information required under section 1125 of the Bankruptcy Code and Bankruptcy Rule 3017, and (b) authorizing the use of the Disclosure Statement for soliciting votes on the Plan.

68. **“Disclosure Statement Recognition Order”** means the order or orders of the Canadian Court, which shall be in form and substance satisfactory to each of the New Investors and the Debtors, recognizing the entry of the Disclosure Statement Order.

69. **“Disputed”** means, with respect to any Claim or Equity Interest, any Claim or Equity Interest that is not yet Allowed.

70. **“Disputed Claims and Equity Interests Reserve”** means a reserve to be held by New LightSquared for the benefit of each Holder of a Disputed Claim or Equity Interest, in an amount equal to the Plan Distributions such Disputed Claim or Equity Interest would be entitled to on the Effective Date if such Disputed Claim or Equity Interest were Allowed in its full amount on the Effective Date.

71. **“Distribution Record Date”** means (a) for the DIP Inc. Claims and the DIP LP Claims, the New DIP Closing Dates, (b) for the Acquired Inc. Facility Claims and the New DIP Claims, the Effective Date, and (c) for all other Claims and Equity Interests, the Voting Record Date.

72. **“Effective Date”** means the date selected by the New Investors (upon agreement of all of the New Investors) and the Debtors, that is a Business Day after the Confirmation Date on which (a) no stay of the Confirmation Order is in effect and (b) all conditions precedent specified in Article IX.B hereof have been satisfied or waived (in accordance with Article IX.C hereof).

73. **“Effective Date Investments”** means the cash investments to be provided by certain of the New Investors to New LightSquared in the aggregate principal amount of \$89,500,157.01, of which Fortress shall contribute \$68,391,643.16 and Centerbridge shall contribute \$21,108,531.85.

74. **“Eligible Transferee”** means any Person that is not a Prohibited Transferee.

75. **“Entity”** has the meaning set forth in section 101(15) of the Bankruptcy Code.

76. **“Equity Interest”** means any equity security (as defined in section 101(16) of the Bankruptcy Code) in a Debtor, including any issued or unissued share of common stock, preferred stock, or other instrument evidencing an ownership interest in a Debtor, whether or not transferable, including membership interests in limited liability companies and partnership interests in partnerships, and any option, warrant or right, contractual or otherwise, to acquire any such interest in a Debtor that existed immediately prior to the Effective Date, any award of stock options, restricted stock units, equity appreciation rights, restricted equity, or phantom equity granted to an existing employee of the Debtors pursuant to any equity plan maintained by the Debtors or under any existing employment agreement of the Debtors’ existing employees, any Existing Shares, and any Claim against the Debtors subject to subordination pursuant to section 510(b) of the Bankruptcy Code arising from or related to any of the foregoing.

77. **“Estate”** means the bankruptcy estate of any Debtor created by section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Cases.

78. **“Exculpated Party”** means a Released Party.

79. **“Executory Contract”** means a contract to which one or more of the Debtors is a party that is subject to assumption, assumption and assignment, or rejection under sections 365 or 1123 of the Bankruptcy Code.

80. **“Existing Inc. Common Stock”** means the Equity Interests in LightSquared Inc. (other than the Existing Inc. Preferred Stock).

81. **“Existing Inc. Preferred Stock”** means the Existing Inc. Series A Preferred Stock and Existing Inc. Series B Preferred Stock.

82. **“Existing Inc. Series A Preferred Stock”** means the outstanding shares of Convertible Series A Preferred Stock issued by LightSquared Inc.

83. **“Existing Inc. Series B Preferred Stock”** means the outstanding shares of Convertible Series B Preferred Stock issued by LightSquared Inc.

84. **“Existing LP Common Units”** means the outstanding common units issued by LightSquared LP.

85. **“Existing LP Preferred Units”** means the outstanding non-voting Series A Preferred Units issued by LightSquared LP.

86. **“Existing Shares”** means all Equity Interests related to Existing Inc. Common Stock, Existing Inc. Preferred Stock, Existing LP Common Units, Existing LP Preferred Units, and Intercompany Interests.

87. **“Exit Intercreditor Agreement”** means that certain Intercreditor Agreement, dated on or before the Effective Date, between the Working Capital Lenders, the Second Lien Exit Term Lenders, the agents under the Working Capital Facility and the Second Lien Exit Facility, and the other relevant Entities governing, among other things, the respective rights, remedies, and priorities of claims and security interests held by the Working Capital Lenders, the Second Lien Exit Term Lenders, the agents and the other relevant Entities under the Working Capital Facility and the Second Lien Exit Facility, under the Working Capital Facility Credit Agreement and the Second Lien Exit Credit Agreement.

88. **“Expense Reimbursement”** means the (i) “Inc. Expense Reimbursement,” but solely to the extent such Inc. Expense Reimbursement has not yet been paid in connection with a prior order of the Bankruptcy Court, and (ii) “LP Expense Reimbursement,” in each case, as such term is used in the Bid Procedures Order.

89. **“FCC”** means the Federal Communications Commission.

90. **“FCC Action”** means that certain cause of action captioned *Harbinger Capital Partners, LLC, et al. v. United States of America*, Civil Action No. 14-cv-00597 (Fed. Cl. 2014).

91. **“FCC Objectives”** means that: (a) the Debtors shall have FCC authority to (i) provide terrestrial communications in the United States on 20 MHz of uplink spectrum comprised of 10 MHz nominally between 1627-1637 MHz and 10 MHz nominally between 1646-1656 MHz, and 10 MHz of downlink spectrum comprised of 5 MHz at 1670-1675 MHz (under the One Dot Six Lease) and 5 MHz at 1675-1680 MHz, (ii) operate in those band segments at transmit power levels commensurate with existing terrestrially-based 4th generation LTE wireless communications networks, and (iii) provide terrestrial signal coverage of (A) 290

million total POPs calculated on a weighted-average basis over the nominal 1627-1637 MHz and 1646-1656 MHz bands and (B) 265 million total POPs calculated on a weighted-average basis over the 1670-1680 MHz band; (b) any build out conditions that may be imposed by the FCC on the Debtors shall be no more onerous than those in effect for DISH Network Corporation's AWS-4 spectrum as of December 2012; and (c) any specific restrictions that may be imposed by the FCC on the Debtors regarding their possible sale to future buyers must not preclude a sale to AT&T Inc., Verizon Communications Inc., T-Mobile USA, Inc., or Sprint Corporation.

92. **"Federal Judgment Rate"** means the federal judgment rate in effect as of the Petition Date.

93. **"File," "Filed," or "Filing"** means file, filed, or filing with (i) the Bankruptcy Court or its authorized designee in the Chapter 11 Cases or (ii) the Canadian Court, as applicable.

94. **"Final Order"** means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction (including the Canadian Court) with respect to the relevant subject matter, which has not been reversed, stayed, modified, or amended, and as to which the time to appeal or seek certiorari or leave to appeal has expired and no appeal or petition for certiorari or motion for leave to appeal has been timely taken, or as to which any appeal that has been taken or any petition for certiorari or motion for leave to appeal that has been or may be Filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari or leave to appeal was sought; provided, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or under the Ontario Rules of Civil Procedure, may be Filed relating to such order shall not prevent such order from being a Final Order; provided, further, that the New Investors (upon the consent of each New Investor and the Debtors) reserve the right to waive any appeal period.

95. **"First Day Pleadings"** means those certain pleadings Filed by the Debtors on or around the Petition Date.

96. **"Fortress"** means Fortress Credit Opportunities Advisors LLC, by and on behalf of certain of its and its affiliates' managed funds and/or accounts.

97. **"General Disclosure Statement"** means the *First Amended General Disclosure Statement* [Docket No. 918].

98. **"General Unsecured Claim"** means any Claim against any of the Debtors that is not one of the following Claims: (a) Administrative Claim; (b) Priority Tax Claim; (c) DIP Claim; (d) Other Priority Claim; (e) Other Secured Claim; (f) Prepetition Inc. Facility Claim; (g) Prepetition LP Facility Non-SPSO Claim; (h) Prepetition LP Facility SPSO Claim; (i) Prepetition LP Facility Non-SPSO Guaranty Claim; (j) Prepetition LP Facility SPSO Guaranty Claim; or (i) Intercompany Claim.

99. **"Governmental Unit"** has the meaning set forth in section 101(27) of the Bankruptcy Code.

100. **“GPS Action”** means that certain cause of action captioned *Harbinger Capital Partners LLC v. Deere & Co.*, Case No. 13-cv-5543 (RMB) (S.D.N.Y. 2013).

101. **“Harbinger”** means Harbinger Capital Partners LLC on behalf of itself and each of its and its affiliates’ managed funds and/or accounts that hold Claims and/or Equity Interests.

102. **“Harbinger Litigations”** means, collectively, the Appeal, the FCC Action, the GPS Action, the RICO Action, and any and all of Harbinger’s rights to commence any New Action.

103. **“Holder”** means the Entity holding the beneficial interest in a Claim or Equity Interest.

104. **“Impaired”** means, with respect to a Class of Claims or Equity Interests, a Class of Claims or Equity Interests that is not Unimpaired.

105. **“Inc. Debtors”** means, collectively, LightSquared Inc., One Dot Four Corp., One Dot Six Corp., SkyTerra Rollup LLC, SkyTerra Rollup Sub LLC, SkyTerra Investors LLC, One Dot Six TVCC Corp., LightSquared Investors Holdings Inc., and TMI Communications Delaware, Limited Partnership.

106. **“Inc. Facilities Claims Purchase Closing Date”** means the date upon which the JPM Inc. Facilities Claims Purchase Agreement shall have been executed by all of the parties thereto, and all conditions precedent to the consummation thereof shall have been waived or satisfied in accordance with the terms thereof, which date shall be no later than one (1) Business Day following fourteen (14) days after entry of the Confirmation Order; provided that the Confirmation Order and the Confirmation Recognition Order shall have been entered and shall not be subject to a stay on such date.

107. **“Inc. Facility Postpetition Interest”** means all interest and/or default interest (calculated as is set forth in paragraphs E(ii) and 16(b) of the DIP Inc. Order) owed pursuant to the Prepetition Inc. Loan Documents from and after the Petition Date.

108. **“Inc. Facility Prepetition Interest”** means all interest and/or default interest owed pursuant to the Prepetition Inc. Loan Documents prior to the Petition Date.

109. **“Inc. Facility Repayment Premium”** means any repayment or prepayment premium owed pursuant to the Prepetition Inc. Loan Documents.

110. **“Inc. General Unsecured Claim”** means any General Unsecured Claim asserted against an Inc. Debtor.

111. **“Inc. Other Priority Claim”** means any Other Priority Claim asserted against an Inc. Debtor.

112. **“Inc. Other Secured Claim”** means any Other Secured Claim asserted against an Inc. Debtor.

113. “**Industry Canada**” means the Canadian Federal Department of Industry, or any successor or any department or agency thereof, administering the Radiocommunication Act, R.S.C., 1985, c. R-2, among other statutes, including its staff acting under delegated authority, and includes the Minister of Industry (Canada) and the Commissioner of Competition (Canada).

114. “**Intercompany Claim**” means any Claim against a Debtor held by another Debtor or a non-Debtor Affiliate.

115. “**Intercompany Contract**” means any agreement, contract, or lease, all parties to which are Debtors.

116. “**Intercompany Interest**” means any Equity Interest in a Debtor held by another Debtor, including the Existing LP Common Units.

117. “**Interim Compensation Order**” means the *Order Authorizing and Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* [Docket No. 122], as may have been modified by a Bankruptcy Court order approving the retention of the Professionals.

118. “**JPM Acquired DIP Inc. Claims**” means DIP Inc. Claims in the amount of \$41,000,000 purchased for Cash by SIG from the DIP Inc. Claims Sellers on the Inc. Facilities Claims Purchase Closing Date pursuant to, and subject to the terms and conditions of, the JPM Inc. Facilities Claims Purchase Agreement.

119. “**JPM Inc. Facilities Claims Purchase Agreement**” means that certain purchase agreement to be entered into between SIG, the DIP Inc. Claims Sellers, and the Prepetition Inc. Facility Claims Sellers on terms mutually acceptable to the parties thereto, pursuant to which SIG shall purchase (a) from the Prepetition Inc. Facility Claims Sellers the Acquired Inc. Facility Claims in exchange for the Acquired Inc. Facility Claims Purchase Price and (b) from the DIP Inc. Claims Sellers the JPM Acquired DIP Inc. Claims in exchange for \$41,000,000.

120. “**JPM Investment Parties**” means SIG, together with any affiliates (but, with respect to such affiliates, solely with respect to the Credit Trading Group and the Credit Trading Group’s position in any Claims and/or Equity Interests held through such affiliates, and subject to the terms of the Plan Support Agreement) of SIG that become party to the Plan Support Agreement after the date such Plan Support Agreement becomes effective.

121. “**Judicial Code**” means title 28 of the United States Code, 28 U.S.C. §§ 1-4001.

122. “**KEIP Payments**” means any and all amounts payable under (a) the Debtors’ key employee incentive plan approved by the Bankruptcy Court pursuant to the *Order Approving LightSquared’s Key Employee Incentive Plan* [Docket No. 394] or (b) any amended, supplemented, or other employee incentive plan of the Debtors approved pursuant to an order of the Bankruptcy Court.

123. **“LBAC Break-Up Fee”** has the meaning set forth in the Bid Procedures Order.
124. **“License Modification Application”** has the meaning set forth in the Disclosure Statement.
125. **“Lien”** has the meaning set forth in section 101(37) of the Bankruptcy Code.
126. **“LP Cash Collateral Order”** means the *Amended Agreed Final Order (a) Authorizing Debtors To Use Cash Collateral, (b) Granting Adequate Protection to Prepetition Secured Parties, and (c) Modifying Automatic Stay* [Docket No. 544] (as amended, supplemented, restated, or otherwise modified from time to time in accordance with the terms thereof).
127. **“LP Debtors”** means, collectively, LightSquared LP, ATC Technologies, LLC, LightSquared Corp., LightSquared Finance Co., LightSquared Network LLC, LightSquared Inc. of Virginia, LightSquared Subsidiary LLC, SkyTerra Holdings (Canada) Inc., SkyTerra (Canada) Inc., LightSquared Bermuda Ltd., and LightSquared GP Inc.
128. **“LP Facility Postpetition Interest”** means all interest owed pursuant to the Prepetition LP Credit Agreement from and after the Petition Date less the amount of adequate protection payments made by LightSquared LP during the Chapter 11 Cases pursuant to the LP Cash Collateral Order (exclusive of Professional Fees (as defined in the LP Cash Collateral Order) paid in accordance with the LP Cash Collateral Order).
129. **“LP Facility Prepetition Interest”** means all interest owed pursuant to the Prepetition LP Loan Documents prior to the Petition Date.
130. **“LP Facility Repayment Premium”** means the repayment premium due and owing pursuant to Section 2.10(f) of the Prepetition LP Credit Agreement.
131. **“LP General Unsecured Claim”** means any General Unsecured Claim asserted against an LP Debtor.
132. **“LP Group”** means that certain ad hoc group of Prepetition LP Lenders, comprised of holders, advisors or affiliates of advisors to holders, or managers of various accounts with investment authority, contractual authority, or voting authority, of the loans under the Prepetition LP Credit Agreement, which, for the avoidance of doubt, shall exclude SPSO.
133. **“LP Group Advisors”** means White & Case LLP, as counsel to the LP Group, Bennett Jones LLP, as Canadian counsel to the LP Group, and Blackstone Advisory Partners L.P., as financial advisor to the LP Group.
134. **“LP Group Fee Claims”** means all Claims for the reasonable, documented fees and expenses of the LP Group Advisors.
135. **“LP Other Priority Claim”** means any Other Priority Claim asserted against an LP Debtor.

136. “**LP Other Secured Claim**” means any Other Secured Claim asserted against an LP Debtor.

137. “**Management Incentive Plan**” means a post-Effective Date equity incentive plan approved by the New LightSquared Board subject to the terms of the New LightSquared Interest Holders Agreement and approved by each of the New Investors, which shall provide for the issuance of equity and/or equity based awards of New LightSquared (which may include but are not limited to New LightSquared Common Interests), to certain officers and employees of the Reorganized Debtors (subject to the terms and conditions of such plan).

138. “**Material Regulatory Request**” means any of the following: (a) the License Modification Application; (b) the Spectrum Allocation Petition for Rulemaking; and (c) the pending petition for rulemaking in RM-11683.

139. “**New Action**” means any unasserted claim or Cause of Action arising out of, relating to, or in connection with, in any manner, the Chapter 11 Cases, the Debtors or the Debtors’ businesses, or any obligations or securities of, or interests in, the Debtors for things occurring through and including the date of termination of the Plan Support Agreement.

140. “**New DIP Agents**” means the New Inc. DIP Agent and the New LP DIP Agent.

141. “**New DIP Claim**” means a New Inc. DIP Claim or a New LP DIP Claim.

142. “**New DIP Closing Dates**” means the New Inc. DIP Closing Date and the New LP DIP Closing Date.

143. “**New DIP Credit Agreements**” means the New Inc. DIP Credit Agreement and the New LP DIP Credit Agreement.

144. “**New DIP Facilities**” means the New Inc. DIP Facility and the New LP DIP Facility.

145. “**New DIP Lenders**” means the New Inc. DIP Lenders and the New LP DIP Lenders.

146. “**New DIP Orders**” means Final Orders of the Bankruptcy Court, in forms and substance satisfactory to each of the New Investors and the Debtors, approving the New DIP Facilities (as may be amended, supplemented, or modified from time to time in accordance with the terms thereof).

147. “**New DIP Recognition Order**” means an order of the Canadian Court, which shall be in form and substance satisfactory to each of the New Investors and the Debtors, recognizing the entry of the New DIP Orders to the extent necessary.

148. “**New Inc. DIP Agent**” means the administrative agent under the New Inc. DIP Credit Agreement or any successor agent appointed in accordance with the New Inc. DIP Credit Agreement.

149. **“New Inc. DIP Claim”** means a Claim held by the New Inc. DIP Agent or New Inc. DIP Lenders arising under, or related to, New Inc. DIP Loans, including, without limitation, all outstanding principal, interest, default interest, and fees provided for thereunder.

150. **“New Inc. DIP Closing Date”** means the date upon which the New Inc. DIP Credit Agreement shall have been executed by all of the parties thereto, and all conditions precedent to the consummation thereof shall have been waived or satisfied in accordance with the terms thereof, and the incurrence of the obligations pursuant to the New Inc. DIP Facility shall have occurred.

151. **“New Inc. DIP Credit Agreement”** means that certain senior secured, priming, superpriority debtor-in-possession credit agreement with respect to the New Inc. DIP Facility to be entered into among the New Inc. DIP Obligors and the New Inc. DIP Lenders, in form and substance satisfactory to each of the New Investors and the Debtors.

152. **“New Inc. DIP Facility”** that certain debtor-in-possession credit facility provided in connection with the New Inc. DIP Credit Agreement and New DIP Orders.

153. **“New Inc. DIP Lenders”** means the lenders party to the New Inc. DIP Credit Agreement from time to time.

154. **“New Inc. DIP Loans”** means the loans to be made under the New Inc. DIP Facility.

155. **“New Inc. DIP Obligors”** means LightSquared Inc., as borrower, and certain of the other Inc. Debtors, as guarantors, under the New Inc. DIP Credit Agreement.

156. **“New Investor Break-Up Fee”** means a break-up fee of \$200,000,000, which shall be payable on the following basis: (a) 47.65% to Fortress; (b) 37.65% to SIG; and (c) 14.71% to Centerbridge, irrevocably earned upon the entry of the New Investor Break-Up Fee Order and payable in Cash only upon closing of an Alternative Transaction.

157. **“New Investor Break-Up Fee Order”** means a Final Order of the Bankruptcy Court approving the New Investor Break-Up Fee in form and substance satisfactory to each of the New Investors and the Debtors.

158. **“New Investor Fee Claims”** means all Claims for the reasonable, actual documented fees and expenses of the advisors to the New Investors in an aggregate amount not to exceed \$10,000,000, to be shared as agreed to by each of the New Investors.

159. **“New Investors”** means Fortress, SIG, Centerbridge, and Harbinger.

160. **“New LightSquared”** means LightSquared LP as reorganized under, and pursuant to, the Plan, or any successor thereto, by merger, consolidation, or otherwise, on or after the Effective Date.

161. **“New LightSquared Board”** means the board of directors, board of managers, or equivalent governing body of New LightSquared, as initially comprised as set forth in the Plan

and as comprised thereafter in accordance with the terms of the applicable Reorganized Debtors Governance Documents.

162. **“New LightSquared Common Interests”** means those certain limited liability company common interests to be issued by New LightSquared in connection with, and subject to, the Plan, the Confirmation Order, and the New LightSquared Interest Holders Agreement.

163. **“New LightSquared Entities Shares”** means, collectively, the New LightSquared Interests, the Reorganized LightSquared Inc. Common Shares, and the Reinstated Intercompany Interests.

164. **“New LightSquared Interest Holders Agreement”** means that certain limited liability company operating agreement of New LightSquared with respect to the New LightSquared Interests, to be effective on the Effective Date and binding on all holders of the New LightSquared Interests.

165. **“New LightSquared Interests”** means, collectively, the New LightSquared Common Interests, and the New LightSquared Preferred Interests.

166. **“New LightSquared Obligors”** means New LightSquared and its subsidiaries.

167. **“New LightSquared Preferred Interests”** means, collectively, the New LightSquared Series A Preferred Interests, New LightSquared Series B Preferred Interests, and New LightSquared Series C Preferred Interests.

168. **“New LightSquared Series A Preferred Interests”** means those certain series A preferred payable-in-kind interests having an original liquidation preference of not less than the Allowed amount of the Acquired Inc. Facility Claims and the Prepetition Inc. Facility Subordinated Claims, in each case as of the Effective Date, plus \$122,000,000, issued by New LightSquared in connection with, and subject to, the Plan, the Confirmation Order, and the New LightSquared Interest Holders Agreement.

169. **“New LightSquared Series B Preferred Interests”** means those certain series B preferred payable-in-kind interests having an original liquidation preference of not less than \$130,500,175.01, issued by New LightSquared in connection with, and subject to, the Plan, the Confirmation Order, and the New LightSquared Interest Holders Agreement.

170. **“New LightSquared Series C Preferred Interests”** means those certain series C preferred payable-in-kind interests having an original liquidation preference of not less than \$348,000,000 issued by New LightSquared in connection with, and subject to, the Plan, the Confirmation Order, and the New LightSquared Interest Holders Agreement.

171. **“New LP DIP Agent”** means the administrative agent under the New LP DIP Credit Agreement or any successor agent appointed in accordance with the New Inc. DIP Credit Agreement.

172. **“New LP DIP Claim”** means a Claim held by the New LP DIP Agent or New LP DIP Lenders arising under, or related to, New LP DIP Loans, including, without limitation, all outstanding principal, interest, default interest, and fees provided for thereunder.

173. **“New LP DIP Closing Date”** means the date upon which the New LP DIP Credit Agreement shall have been executed by all of the parties thereto, and all conditions precedent to the consummation thereof shall have been waived or satisfied in accordance with the terms thereof, and the incurrence of the obligations pursuant to the New LP DIP Facility shall have occurred.

174. **“New LP DIP Credit Agreement”** means that certain senior secured, priming, superpriority debtor-in-possession credit agreement with respect to the New LP DIP Facility to be entered into among the New LP DIP Obligors and the New LP DIP Lenders, in form and substance satisfactory to each of the New Investors and the Debtors.

175. **“New LP DIP Facility”** means that certain debtor-in-possession credit facility provided in connection with the New LP DIP Credit Agreement and New DIP Orders.

176. **“New LP DIP Lenders”** means the lenders party to the New LP DIP Credit Agreement from time to time.

177. **“New LP DIP Loans”** means the loans to be made under the New LP DIP Facility.

178. **“New LP DIP Obligors”** means LightSquared LP, as borrower, and the other LP Debtors, as guarantors, under the New LP DIP Credit Agreement.

179. **“NOAA Spectrum”** means that 5 MHz of spectrum between 1675-1680 MHz in the United States, currently used on a primary basis by the National Oceanic and Atmospheric Administration.

180. **“One Dot Six Lease”** has the meaning set forth in the Disclosure Statement.

181. **“Other Existing Inc. Preferred Equity Holder”** means each Holder of Existing Inc. Preferred Stock other than SIG.

182. **“Other Priority Claim”** means any Claim accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than an Administrative Claim or a Priority Tax Claim.

183. **“Other Secured Claim”** means any Secured Claim that is not a DIP Claim or Prepetition Facility Claim.

184. **“Person”** has the meaning set forth in section 101(41) of the Bankruptcy Code.

185. **“Petition Date”** means May 14, 2012.

186. “**Plan**” means this *Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* (as amended, supplemented, or modified from time to time in accordance with the terms hereof), including, without limitation, the Plan Supplement, which is incorporated herein by reference.

187. “**Plan Consideration**” means a payment or distribution of Cash, assets, securities, or instruments evidencing an obligation to Holders of Allowed Claims or Equity Interests under the Plan. Unless otherwise expressly specified herein, any Plan Consideration in the form of Cash shall be paid from proceeds of the Working Capital Facility and the Debtors’ Cash on hand.

188. “**Plan Distribution**” means a payment or distribution to Holders of Allowed Claims, Allowed Equity Interests, or other eligible Entities under the Plan or Plan Supplement documents.

189. “**Plan Documents**” means the documents other than the Plan, to be executed, delivered, assumed, or performed in conjunction with the Consummation of the Plan on the Effective Date, including, without limitation, any documents included in the Plan Supplement, in each case, in forms and substance satisfactory to each of the New Investors and the Debtors.

190. “**Plan Proponents**” means Fortress, Centerbridge, Harbinger, and the Debtors.

191. “**Plan Supplement**” means the compilation of documents and forms of documents, schedules, and exhibits to the Plan (as may be altered, amended, modified, or supplemented from time to time in accordance with the terms hereof and in accordance with the Bankruptcy Code and the Bankruptcy Rules and, in each case, in form and substance satisfactory to each of the New Investors and the Debtors) to be Filed no later than the Plan Supplement Date or such other date as may be approved by the Bankruptcy Court, including: (a) executed commitment letters, engagement letters, highly confident letters, or form and/or definitive agreements, and related documents with respect to (i) the Working Capital Facility Credit Agreement, (ii) the Second Lien Exit Facility, (iii) the Reorganized LightSquared Inc. Credit Agreement, (iv) the New DIP Credit Agreements and (v) the Effective Date Investments; (b) the Reorganized Debtors Corporate Governance Documents; (c) the terms of a transition plan for the Debtors as may be agreed to among the Debtors and each of the New Investors; (d) the Schedule of Assumed Agreements; and (e) the Schedule of Retained Causes of Action.

192. “**Plan Supplement Date**” means (a) [_____], 2015 or (b) such other date agreed to by each of the New Investors and the Debtors or established by the Bankruptcy Court; provided, that such date shall not be later than five (5) days prior to the Confirmation Hearing Date; provided, further, that the Plan Proponents reserve the right to File amended Plan Documents at any time prior to the conclusion of the Confirmation Hearing.

193. “**Plan Support Agreement**” means that certain Plan Support Agreement, dated as of December 10, 2014, by and among Fortress, Centerbridge, Harbinger, and the JPM Investment Parties, as may be amended, supplemented, or modified from time to time in accordance with the terms thereof.

194. **“Plan Support Parties”** means collectively, the Plan Proponents, the JPM Investment Parties, and any subsequent person or entity that becomes a party to the Plan Support Agreement.

195. **“Plan Transactions”** means one or more transactions to occur on or before the Effective Date or as soon thereafter as reasonably practicable, that may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including: (a) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, equity issuance, sale, dissolution, certificates of incorporation, certificates of partnership, operating agreements, bylaws, or other documents containing terms that are consistent with or reasonably necessary to implement the terms of the Plan and that satisfy the requirements of applicable law; (b) the execution and delivery of appropriate instruments of equity issuance, transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of the Plan; and (c) all other actions that are consistent with the terms of the Plan that the New Investors, the Debtors, Reorganized LightSquared Inc. or New LightSquared, as applicable, determine are necessary or appropriate.

196. **“Prepetition Agents”** means the Prepetition Inc. Agent and the Prepetition LP Agent.

197. **“Prepetition Facilities”** means the Prepetition Inc. Facility and the Prepetition LP Facility.

198. **“Prepetition Facility Claim”** means a Prepetition Inc. Facility Claim or a Prepetition LP Facility Claim.

199. **“Prepetition Inc. Agent”** means U.S. Bank National Association, as successor administrative agent to UBS AG, Stamford Branch under the Prepetition Inc. Credit Agreement.

200. **“Prepetition Inc. Borrower”** means LightSquared Inc., as borrower under the Prepetition Inc. Credit Agreement.

201. **“Prepetition Inc. Credit Agreement”** means that certain Credit Agreement, dated as of July 1, 2011 (as amended, supplemented, restated, or otherwise modified from time to time in accordance with the terms thereof), among the Prepetition Inc. Obligors, the Prepetition Inc. Agent, and the Prepetition Inc. Lenders.

202. **“Prepetition Inc. Facility”** means that certain \$278,750,000 term loan credit facility provided in connection with the Prepetition Inc. Credit Agreement.

203. **“Prepetition Inc. Facility Claim”** means, collectively, any Prepetition Inc. Facility Non-Subordinated Claim and Prepetition Inc. Facility Subordinated Claim.

204. **“Prepetition Inc. Facility Claims Sellers”** means the Holders of Prepetition Inc. Facility Non-Subordinated Claims immediately prior to the Confirmation Date.

205. **“Prepetition Inc. Facility Lender Subordination Agreement”** means that certain Lender Subordination Agreement, dated as of March 29, 2012, between and among certain Affiliate Lenders and Non-Affiliate Lenders (each as defined therein), by which the Affiliate Lenders agreed to subordinate their Liens (as such term is used therein) and Claims under the Prepetition Inc. Loan Documents to the Liens and Claims of the Non-Affiliate Lenders.

206. **“Prepetition Inc. Facility Non-Subordinated Claim”** means a Claim held by the Prepetition Inc. Agent or Prepetition Inc. Lenders arising under, or related to, the Prepetition Inc. Loan Documents, but excluding any Prepetition Inc. Facility Subordinated Claim.

207. **“Prepetition Inc. Facility Repayment Premium”** means any repayment or prepayment premium owed pursuant to the Prepetition Inc. Loan Documents.

208. **“Prepetition Inc. Facility Subordinated Claim”** means a Claim held by a Prepetition Inc. Lender arising under, or related to, the Prepetition Inc. Loan Documents that is subordinated to the Prepetition Inc. Facility Non-Subordinated Claims pursuant to the Prepetition Inc. Facility Lender Subordination Agreement.

209. **“Prepetition Inc. Fee Claims”** means all Claims for the reasonable, actual documented fees and expenses of the Holders of Inc. Facility Non-Subordinated Claims and the Prepetition Inc. Agent, including, but not limited to, the fees and expenses of financial advisors and counsel.

210. **“Prepetition Inc. Guarantors”** means One Dot Four Corp., One Dot Six Corp., and One Dot Six TVCC Corp., as guarantors under the Prepetition Inc. Credit Agreement.

211. **“Prepetition Inc. Lenders”** means the lenders party to the Prepetition Inc. Credit Agreement from time to time.

212. **“Prepetition Inc. Loan Documents”** means the Prepetition Inc. Credit Agreement together with all related security agreements, notes, guarantees, pledge agreements, mortgages, fixture filings, transmitting utility filings, deeds of trust, financing statements, instruments, agreements, documents, assignments, account control agreements, or other security documents (as each of the foregoing may be amended, supplemented, restated, or otherwise modified from time to time in accordance with the terms thereof).

213. **“Prepetition Inc. Obligors”** means the Prepetition Inc. Borrower and the Prepetition Inc. Guarantors.

214. **“Prepetition Loan Documents”** means the Prepetition Inc. Loan Documents and the Prepetition LP Loan Documents.

215. **“Prepetition LP Agent”** means, collectively, Wilmington Savings Fund Society, FSB, as administrative agent, and Wilmington Trust FSB, as collateral trustee, under the Prepetition LP Credit Agreement.

216. **“Prepetition LP Borrower”** means LightSquared LP, as borrower, under the Prepetition LP Credit Agreement.

217. **“Prepetition LP Credit Agreement”** means that certain Credit Agreement, dated as of October 1, 2010 (as amended, supplemented, restated, or otherwise modified from time to time in accordance with the terms thereof), among the Prepetition LP Obligors, the Prepetition LP Agent, and the Prepetition LP Lenders.

218. **“Prepetition LP Facility”** means that certain \$1,500,000,000 term loan credit facility provided in connection with the Prepetition LP Credit Agreement.

219. **“Prepetition LP Facility Claim”** means a Claim held by the Prepetition LP Agent or Prepetition LP Lenders arising under, or related to, the Prepetition LP Loan Documents.

220. **“Prepetition LP Facility Non-SPSO Claim”** means a Prepetition LP Facility Claim that is not a Prepetition LP Facility SPSO Claim.

221. **“Prepetition LP Facility Non-SPSO Guaranty Claim”** means a Prepetition LP Facility Non-SPSO Claim against any of the Inc. Debtors.

222. **“Prepetition LP Facility SPSO Claim”** means a Prepetition LP Facility Claim held by SPSO, its affiliates, or each of their successors or assigns.

223. **“Prepetition LP Facility SPSO Guaranty Claim”** means a Prepetition LP Facility SPSO Claim against any of the Inc. Debtors.

224. **“Prepetition LP Fee Claims”** means all Claims for the reasonable, actual documented fees and expenses, if any, of the Holders of Prepetition LP Facility Claims, including, but not limited to, the fees and expenses of financial advisors and counsel, to the extent allowed by Final Order of the Bankruptcy Court under section 506(b) of the Bankruptcy Code.

225. **“Prepetition LP Guarantors”** means LightSquared Inc., LightSquared Investors Holdings Inc., LightSquared GP Inc., TMI Communications Delaware, Limited Partnership, ATC Technologies, LLC, LightSquared Corp., LightSquared Inc. of Virginia, LightSquared Subsidiary LLC, SkyTerra Holdings (Canada) Inc., and SkyTerra (Canada) Inc., as guarantors under the Prepetition LP Credit Agreement.

226. **“Prepetition LP Lenders”** means the lenders party to the Prepetition LP Credit Agreement from time to time.

227. **“Prepetition LP Loan Documents”** means the Prepetition LP Credit Agreement together with all related security agreements, notes, guarantees, pledge agreements, mortgages, fixture filings, transmitting utility filings, deeds of trust, financing statements, instruments, agreements, documents, assignments, account control agreements, or other security documents (as each of the foregoing may be amended, supplemented, restated, or otherwise modified from time to time in accordance with the terms thereof).

228. **“Prepetition LP Obligors”** means the Prepetition LP Borrower and the Prepetition LP Guarantors.

229. **“Priority Tax Claim”** means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

230. **“Professional”** means an Entity employed pursuant to a Bankruptcy Court order in accordance with sections 327, 328, 330, 363, or 1103 of the Bankruptcy Code and to be compensated for services rendered prior to or on the Effective Date, pursuant to sections 327, 328, 329, 330, 363, and 331 of the Bankruptcy Code or awarded compensation and reimbursement by the Bankruptcy Court pursuant to section 503(b)(4) of the Bankruptcy Code (excluding those Entities entitled to compensation for services rendered after the Petition Date in the ordinary course of business pursuant to a Final Order granting such relief).

231. **“Professional Fee Escrow Account”** means an interest-bearing account in an amount equal to the Professional Fee Reserve Amount funded and maintained by New LightSquared on and after the Effective Date for the purpose of paying all Allowed and unpaid Accrued Professional Compensation Claims.

232. **“Professional Fee Reserve”** means Cash in an amount equal to the Professional Fee Reserve Amount to be held in reserve by New LightSquared in the Professional Fee Escrow Account.

233. **“Professional Fee Reserve Amount”** means the aggregate Accrued Professional Compensation Claims through the Effective Date as estimated in accordance with Article II.B.3 hereof.

234. **“Prohibited Transferee”** means SPSO, any SPSO Affiliate, and any other Entity that may be a competitor of one or more of the Debtors and is identified by the New Investors (upon agreement of all of the New Investors) or the Debtors (with the consent of each of the New Investors) in the Plan Supplement as a Prohibited Transferee and such Entity’s successors or any other Entity directly or indirectly controlling, controlled by, or under common control with, any such Entity or its successors; provided, that, for the purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any Entity, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Entity, whether through the ownership of voting securities, by agreement or otherwise; provided, further, “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”) as used with respect to any Entity shall also include (a) any Entity that directly or indirectly owns, or in which such Entity directly or indirectly owns more than ten percent (10%) of any class of capital stock or other equity interest of such Entity, (b) in the case of a corporation, any officer or director of such corporation, (c) in the case of a partnership, any general partner of such partnership, (d) in the case of a trust, any trustee or beneficiary of such trust, (e) any spouse, parent, sibling, or child or lineal descendant of any individual described in clauses (a) through (d) above, and (f) any trust for the benefit of any individual described in clauses (a) through (e) above.

235. **“Proof of Claim”** means a proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

236. **“Reinstated”** or **“Reinstatement”** means (a) leaving unaltered the legal, equitable, and contractual rights to which a Claim or Equity Interest entitles the Holder of such Claim or Equity Interest so as to leave such Claim or Equity Interest Unimpaired or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of a Claim or Equity Interest to demand or receive accelerated payment of such Claim or Equity Interest after the occurrence of a default (i) curing any such default that occurred before or after the Petition Date, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) of the Bankruptcy Code expressly does not require to be cured, (ii) reinstating the maturity (to the extent such maturity has not otherwise accrued by the passage of time) of such Claim or Equity Interest as such maturity existed before such default, (iii) compensating the Holder of such Claim or Equity Interest for any damages incurred as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law, (iv) if such Claim or Equity Interest arises from a failure to perform a nonmonetary obligation other than a default arising from failure to operate a nonresidential real property lease subject to section 365(b)(1)(A) of the Bankruptcy Code, compensating the Holder of such Claim or Equity Interest (other than the Debtors or an insider) for any actual pecuniary loss incurred by such Holder as a result of such failure, and (v) not otherwise altering the legal, equitable, or contractual rights to which such Claim or Equity Interest entitles the Holder.

237. **“Reinstated Intercompany Interests”** means the Intercompany Interests that are Reinstated under, and pursuant to, the Plan.

238. **“Released Party”** means each of the following: (a) the Debtors; (b) the Reorganized Debtors; (c) each New Investor; (d) each Plan Support Party; (e) each DIP Agent, (f) each DIP Lender (other than any SPSO Party, subject to the proviso below), and each arranger and book runner of the DIP Facilities; (g) the Prepetition Inc. Agent; (h) the Second Lien Exit Agent, the agent under the Working Capital Facility, and each arranger and book runner of the Second Lien Exit Facility and the Working Capital Facility; (i) the holder of Reorganized LightSquared Inc. Exit Facility and each agent, arranger, and book runner of the Reorganized LightSquared Inc. Exit Facility; (j) each Holder of an Allowed Prepetition Facility Claim that votes to accept, or is deemed to accept, the Plan (in each case, other than any SPSO Party, subject to the proviso below); (k) the Prepetition LP Agent; (l) the LP Group, (m) each Holder of Allowed Existing Inc. Preferred Stock that votes to accept, or is deemed to accept, the Plan; (n) each Holder of Allowed Existing LP Preferred Units that votes to accept, or is deemed to accept, the Plan; (o) the JPM Investment Parties; and (p) each of the foregoing Entities’ respective predecessors, successors and assigns, and current and former shareholders, affiliates, subsidiaries, members (including ex-officio members), officers, directors, principals, managers, trustees, employees, partners, attorneys, financial advisors, accountants, investment bankers, investment advisors, actuaries, professionals, consultants, agents, and representatives (in each case, in his, her, or its capacity as such); provided, that each SPSO Party shall be deemed a Released Party if (i) both Class 7B and Class 8B vote to accept the Plan, (ii) SPSO and the SPSO Affiliates execute the SPSO Agreements, and (iii) SPSO and each SPSO Affiliate withdraws all of their objections (if any) to the Plan and the Plan Transactions.

239. **“Releasing Party”** has the meaning set forth in Article VIII.F hereof.

240. **“Reorganized Debtors”** means, collectively, New LightSquared and each of the Debtors other than LightSquared LP, as reorganized under, and pursuant to, the Plan, on or after the Effective Date.

241. **“Reorganized Debtors Boards”** means, collectively, the Board and the boards of directors or similar governing bodies of each of the Reorganized Debtors other than New LightSquared.

242. **“Reorganized Debtors Governance Documents”** means, as applicable, the certificates of incorporation, certificates of formation, bylaws, operating agreements, shareholders agreements, and any other applicable organizational or operational documents with respect to the Reorganized Debtors, including the New LightSquared Interest Holders Agreement.

243. **“Reorganized Inc. Entity”** means Reorganized LightSquared Inc. or any of its wholly owned direct or indirect subsidiaries after the Effective Date. Neither New LightSquared nor any of its subsidiaries shall be deemed a Reorganized Inc. Entity for purposes hereunder.

244. **“Reorganized LightSquared Inc.”** means LightSquared Inc., as reorganized under, and pursuant to, the Plan, or any successor thereto, by merger, consolidation, or otherwise, on or after the Effective Date.

245. **“Reorganized LightSquared Inc. Common Shares”** means those certain common shares issued by Reorganized LightSquared Inc. in connection with, and subject to, the Plan and the Confirmation Order.

246. **“Reorganized LightSquared Inc. Credit Agreement”** means that certain credit agreement with respect to the Reorganized LightSquared Inc. Exit Facility, to be entered into on the Effective Date among Reorganized LightSquared Inc. and SIG.

247. **“Reorganized LightSquared Inc. Exit Facility”** means a term loan facility in the aggregate principal amount equal to the amount of the Acquired Inc. Facility Claims and the JPM Acquired DIP Inc. Claims as of the Effective Date, which shall be secured by liens on substantially all of the assets of Reorganized LightSquared Inc.

248. **“Retained Causes of Action”** means the Causes of Action of the Debtors listed on the Schedule of Retained Causes of Action.

249. **“Retained Causes of Action Proceeds”** means all proceeds, damages, or other relief obtained or realized from the pursuit and prosecution of any and all Retained Causes of Action.

250. **“RICO Action”** means that certain cause of action captioned *Harbinger Capital Partners LLC, HGW US Holding Company LP, Blue Line DZM Corp., and Harbinger Capital Partners SP, LLC v. Charles W. Ergen, Dish Network Corporation, L-Band Acquisition LLC, SP Special Opportunities LLC, Special Opportunities Holdings LLC, Sound Point Capital Management LP, and Stephen Ketchum*, No. 14-01907 (D. Co. July 8, 2014).

251. **“Schedule of Assumed Agreements”** means the schedule of certain Executory Contracts and Unexpired Leases to be assumed, or assumed and assigned, by the Debtors pursuant to the Plan, including any Cure Costs related thereto (as the same may be amended, modified, or supplemented from time to time with the consent of each New Investor and the Debtors).

252. **“Schedule of Retained Causes of Action”** means the schedule of certain Causes of Action of the Debtors that are not released, waived, or transferred pursuant to the Plan or otherwise (as the same may be amended, modified, or supplemented from time to time with the consent of each New Investor and the Debtors).

253. **“Schedules”** means the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases, and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code, the official bankruptcy forms, and the Bankruptcy Rules (as they may be amended, modified, or supplemented from time to time).

254. **“Second Lien Exit Agent”** means the arranger and administrative agent under the Second Lien Exit Credit Agreement or any successor agent appointed in accordance with the Second Lien Exit Credit Agreement.

255. **“Second Lien Exit Credit Agreement”** means that certain credit agreement, dated as of the Effective Date (as amended, supplemented, restated, or otherwise modified from time to time in accordance with the terms thereof), among the New LightSquared Obligor, the Second Lien Exit Agent, and the Second Lien Exit Term Lenders, in form and substance satisfactory to each of the New Investors and the Debtors.

256. **“Second Lien Exit Facility”** means that certain second lien term loan facility in the original aggregate principal amount of the Allowed Prepetition LP Facility Claims as of the Effective Date provided in connection with the Second Lien Exit Credit Agreement.

257. **“Second Lien Exit Term Lenders”** means the lenders under the Second Lien Exit Facility that are party to the Second Lien Exit Credit Agreement from time to time.

258. **“Second Lien Exit Term Loans”** means Tranche A Second Lien Exit Term Loans and the Tranche B Second Lien Exit Terms Loans.

259. **“Secured”** means, when referring to a Claim, (a) secured by a Lien on property in which the Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to a valid right of setoff pursuant to section 553 of the Bankruptcy Code as determined pursuant to section 506(a) of the Bankruptcy Code, or (b) Allowed pursuant to the Plan as a Secured Claim.

260. **“Securities Act”** means the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, as now in effect and hereafter amended, or any similar federal, state, or local law.

261. **“Securities Exchange Act”** means the Securities Exchange Act of 1934, 15 U.S.C. §§ 78a-78nn, as now in effect and hereafter amended, or any similar federal, state, or local law.

262. “**Security**” has the meaning set forth in section 2(a)(1) of the Securities Act.

263. “**SIG**” means SIG Holdings, Inc. and/or one or more of its designated affiliates.

264. “**Special Committee**” means the special committee of the boards of directors of LightSquared Inc. and LightSquared GP Inc.

265. “**Specific Disclosure Statement**” means the *Specific Disclosure Statement for the Joint Plan Pursuant to Chapter 11 of Bankruptcy Code* [Docket No. ____].

266. “**Spectrum Allocation Petition for Rulemaking**” has the meaning set forth in the Disclosure Statement.

267. “**SPSO**” means SP Special Opportunities, LLC.

268. “**SPSO Affiliate**” means (a) Charles W. Ergen and L-Band Acquisition, LLC and their successors and any member of a Group (as defined under Regulation 13D under the Securities Exchange Act of 1934, as amended) of which SPSO, Charles W. Ergen, and L-Band Acquisition, LLC or their successors are a member, and (b) any other Entity or Group directly or indirectly controlling, controlled by, or under common control with, SPSO, Charles W. Ergen, and/or L-Band Acquisition, LLC or their successors or any member of any Group of which SPSO, Charles W. Ergen, and/or L-Band Acquisition, LLC or their successors is a member; provided, that, for the purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any Entity, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Entity, whether through the ownership of voting securities, by agreement or otherwise; provided, further, “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”) as used with respect to any Entity shall also include (u) any Entity that directly or indirectly owns, or in which such Entity directly or indirectly owns more than ten percent (10%) of any class of capital stock or other equity interest of such Entity, (v) in the case of a corporation, any officer or director of such corporation, (w) in the case of a partnership, any general partner of such partnership, (x) in the case of a trust, any trustee or beneficiary of such trust, (y) any spouse, parent, sibling, or child or lineal descendant of any individual described in clauses (u) through (x) above, and (z) any trust for the benefit of any individual described in clauses (u) through (y) above. For the avoidance of doubt, it is understood that DISH Network Corporation, EchoStar Corporation, and any other Entity directly or indirectly controlling, controlled by, or under common control with, DISH Network Corporation or EchoStar Corporation are currently SPSO Affiliates.

269. “**SPSO Agreements**” means the written agreement by SPSO and the SPSO Affiliates to support any and all transactions necessary for the Effective Date of the Plan to occur, including any regulatory approvals sought in connection therewith, and to not interfere with or compete with (by submitting a competing offer or otherwise) or otherwise contest any bid by the Debtors or by New LightSquared or its affiliates for the acquisition or allocation of NOAA Spectrum.

270. “**SPSO Parties**” means SPSO or any SPSO Affiliate.

271. **“Stalking Horse Agreement”** has the meaning set forth in the Bid Procedures Order.

272. **“Standing Motion”** means that certain *Motion of the Ad Hoc Secured Group of LightSquared LP Lenders for Entry of an Order Granting Leave, Standing and Authority To Commence, Prosecute and/or Settle Certain Claims of the Debtors’ Estates* [Docket No. 323].

273. **“Tranche A Second Lien Exit Term Loans”** means the tranche “A” term loans to be made under the Second Lien Exit Facility, which shall rank *pari passu* in right of payment and security with the Tranche B Second Lien Exit Term Loans, and which shall have the same rights as the Tranche B Second Lien Exit Term Loans, except as specified below in the definition of “Tranche B Second Lien Exit Term Loans.”

274. **“Tranche B Second Lien Exit Term Loans”** means the tranche “B” term loans to be made under the Second Lien Exit Facility, which shall rank *pari passu* in right of payment and security with the Tranche A Second Lien Exit Term Loans, and which shall have the same rights as the Tranche A Second Lien Exit Term Loans, except that the Holders of the Tranche B Second Lien Exit Loans shall have (a) limited information rights and (b) voting, approval, and/or waiver rights that are limited to 100% lender voting issues relating to fundamental sacred rights under the Second Lien Exit Term Loans.

275. **“Unexpired Lease”** means a lease to which one or more of the Debtors is a party that is subject to assumption, assumption and assignment, or rejection under sections 365 or 1123 of the Bankruptcy Code, or may be amended by mutual agreement of the parties thereto.

276. **“Unimpaired”** means, with respect to a Class of Claims or Equity Interests, a Claim or an Equity Interest that is not impaired within the meaning of section 1124 of the Bankruptcy Code.

277. **“U.S. Trustee”** means the United States Trustee for the Southern District of New York.

278. **“U.S. Trustee Fees”** means fees arising under section 1930(a)(6) of the Judicial Code and, to the extent applicable, accrued interest thereon arising under 31 U.S.C. § 3717.

279. **“Voting Record Date”** means the date upon which the Disclosure Statement Order is entered by the Bankruptcy Court.

280. **“Working Capital Facility”** means that certain first lien credit facility in an original aggregate principal amount of \$1,250,000,000 provided in connection with the Working Capital Facility Credit Agreement.

281. **“Working Capital Facility Credit Agreement”** means that certain credit agreement with respect to the Working Capital Facility, to be entered into on the Effective Date among the New LightSquared Obligor and the Working Capital Lenders.

282. **“Working Capital Facility Loans”** means the working capital term loans to be made under the Working Capital Facility. The Working Capital Facility Loans shall have market

terms and conditions satisfactory to New LightSquared, each of the New Investors, and the Debtors.

283. “**Working Capital Lenders**” means the lenders party to the Working Capital Facility Credit Agreement from time to time.

B. Rules of Interpretation

The following rules for interpretation and construction shall apply to the Plan: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in such form or substantially on such terms and conditions; (3) any reference herein to an existing document or exhibit having been Filed or to be Filed shall mean that document or exhibit as it may thereafter be amended, modified, or supplemented; (4) unless otherwise stated, all references to statutes, regulations, orders, rules of courts, and the like shall mean as amended from time to time; (5) any reference herein to an Entity as a Holder of a Claim or Equity Interest includes that Entity’s successors and assigns; (6) unless otherwise specified, all references herein to “Articles” are references to Articles hereof or hereto; (7) unless otherwise stated, the words “herein,” “hereof,” and “hereto” refer to the Plan in its entirety rather than to a particular portion of the Plan; (8) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (9) unless otherwise stated, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; and (10) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable.

C. Computation of Time

The provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein.

D. Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflict of laws (other than section 5-1401 and section 5-1402 of the New York General Obligations Law), shall govern the rights, obligations, construction, and implementation of the Plan, any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control), and corporate governance matters; provided, however, that corporate governance matters relating to the Debtors or the Reorganized Debtors, as applicable, not incorporated in

New York shall be governed by the laws of the state or other jurisdiction of incorporation of the applicable Debtor or Reorganized Debtor, as applicable.

E. Reference to Monetary Figures

All references in the Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided.

F. Approval Rights over Plan Documents

Unless otherwise expressly provided in the Plan, all approval rights over Plan Documents for Plan Support Parties other than the New Investors and the Debtors shall be governed by the terms and conditions of the Plan Support Agreement.

G. Rights of the Debtors Under the Plan

Notwithstanding anything to the contrary contained in the Plan, to the extent any term or provision of the Plan provides the Debtors with (1) consent, approval or similar rights, including, without limitation, with respect to the form of, the substance of or amendments to any documents or transactions contemplated by the Plan or the other Plan Documents or (2) decision making rights, and either (a) the Debtors seek to exercise such rights in a circumstance not consented to by each of the New Investors or (b) the New Investors collectively seek to act or refrain from acting in a certain fashion, or collectively consent to the form of, the substance of, or amendments to any documents contemplated by the Plan, and the Debtors fail to consent thereto, then the position of the New Investors shall govern, and the Debtors' sole right shall be to withdraw as a Plan Proponent, in which case all such consent, approval, or similar rights of the Debtors under the Plan shall be void and of no force and effect and shall be automatically deemed deleted from the Plan without further action by any Entity.

H. Nonconsolidated Plan

Although for purposes of administrative convenience and efficiency the Plan has been filed as a joint plan for each of the Debtors and presents together Classes of Claims against, and Equity Interests in, the Debtors, the Plan does not provide for the substantive consolidation of any of the Debtors.

ARTICLE II.
ADMINISTRATIVE CLAIMS, ACCRUED PROFESSIONAL COMPENSATION
CLAIMS, DIP CLAIMS, PRIORITY TAX CLAIMS, AND U.S. TRUSTEE FEES

All Claims and Equity Interests (except Administrative Claims, Accrued Professional Compensation Claims, DIP Claims, Priority Tax Claims, and U.S. Trustee Fees) are placed in the Classes set forth in Article III hereof. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Accrued Professional Compensation Claims, DIP Claims, Priority Tax Claims, and U.S. Trustee Fees have not been classified, and the Holders thereof are not entitled to vote on the Plan. A Claim or Equity Interest is placed in a particular Class only to the extent that the Claim or Equity Interest falls within the description of that Class, and is classified

in other Classes to the extent that any portion of the Claim or Equity Interest falls within the description of such other Classes.

A. Administrative Claims

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtors, each Holder of an Allowed Administrative Claim (other than of an Accrued Professional Compensation Claim, DIP Claim, and KEIP Payment) shall receive in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Administrative Claim, Plan Consideration in the form of Cash in an amount equal to such Allowed Administrative Claim either: (1) on the Effective Date or as soon thereafter as reasonably practicable, or, if not then due, when such Allowed Administrative Claim is due or as soon thereafter as reasonably practicable; (2) if the Administrative Claim is not Allowed as of the Effective Date, no later than thirty (30) days after the date on which an order of the Bankruptcy Court Allowing such Administrative Claim becomes a Final Order, or as soon thereafter as reasonably practicable or, if not then due, when such Allowed Administrative Claim is due or as soon thereafter as reasonably practicable; (3) if the Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their businesses after the Petition Date, pursuant to the terms and conditions of the particular transaction giving rise to such Allowed Administrative Claims, without any further action by the Holders of such Allowed Administrative Claims; (4) at such other time that is agreed to by all of the New Investors (in consultation with the Debtors) or New LightSquared, as applicable, and the Holder of such Allowed Administrative Claim; or (5) at such other time and on such other terms set forth in an order (including, without limitation, the Confirmation Order and the New DIP Order) of the Bankruptcy Court; provided, that, to the extent any Allowed Administrative Claims are due and payable after the Effective Date, such Claims shall be paid by, and be the sole obligation of, New LightSquared and/or its subsidiaries and such Administrative Claims shall not be an obligation of any Reorganized Inc. Entity.

Except for Accrued Professional Compensation Claims, DIP Claims, U.S. Trustee Fees, and KEIP Payments, and unless previously Filed, requests for payment of Administrative Claims must be Filed and served on New LightSquared no later than the Administrative Claims Bar Date pursuant to the procedures specified in the Confirmation Order and the notice of the occurrence of the Effective Date. Objections to such requests must be Filed and served on New LightSquared and the requesting party by the later of (1) one hundred and eighty (180) days after the Effective Date and (2) one hundred and eighty (180) days after the Filing of the applicable request for payment of Administrative Claims, if applicable. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior Bankruptcy Court orders, the Allowed amounts, if any, of Administrative Claims shall be determined by, and satisfied in accordance with an order of, the Bankruptcy Court.

Holders of Administrative Claims that are required to File and serve a request for payment of such Administrative Claims that do not File and serve such a request by the Administrative Claims Bar Date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors, the Reorganized Debtors or their property, and such Administrative Claims shall be deemed discharged as of the Effective Date without the need for any objection from the Reorganized Debtors or any action by the Bankruptcy Court.

Notwithstanding anything to the contrary herein, (1) a New Investor, the DIP Inc. Lenders, the DIP Inc. Agent, the Holders of Prepetition Inc. Facility Non-Subordinated Claims, and the Prepetition Inc. Agent shall not be required to File any request for payment of any Administrative Claims, including, but not limited to, any New Investor Fee Claims, LP Group Fee Claims, DIP Claims, DIP Inc. Fee Claims, or Prepetition Inc. Fee Claims, and (2) any New Investor, the DIP Inc. Lenders, the DIP Inc. Agent, the Holders of Prepetition Inc. Facility Non-Subordinated Claims, and the Prepetition Inc. Agent shall be paid in accordance with the terms of the Plan, Confirmation Order, DIP Inc. Order, DIP LP Order, or other applicable governing documents.

Notwithstanding anything to the contrary herein, (1) the New Investor Fee Claims and LP Group Fee Claims incurred through and including the Confirmation Date shall be paid in full, in Cash on the Confirmation Date or as soon thereafter as reasonably practicable from the proceeds of the New DIP Facilities or Cash on hand, and (2) the New Investor Fee Claims and LP Group Fee Claims incurred after the Confirmation Date through and including the Effective Date (to the extent not previously paid), shall be paid monthly from the proceeds of the New DIP Facilities or Cash on hand, subject to the New Investors and the Debtors' prior receipt of invoices and reasonable documentation in connection therewith and without the requirement to File a fee application with the Bankruptcy Court. The Confirmation Order shall provide that the New Investor Fee Claims and LP Group Fee Claims shall be deemed Allowed Administrative Claims.

B. Accrued Professional Compensation Claims

1. Final Fee Applications

All final requests for payment of Claims of a Professional shall be Filed no later than forty-five (45) days after the Effective Date. After notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior Bankruptcy Court orders, the Allowed amounts of such Accrued Professional Compensation Claims shall be determined by the Bankruptcy Court and satisfied in accordance with an order of the Bankruptcy Court.

2. Professional Fee Escrow Account

In accordance with Article II.B.3 hereof, on the Effective Date, New LightSquared shall establish and fund the Professional Fee Escrow Account in the form of Cash in an amount equal to the aggregate Professional Fee Reserve Amount for all Professionals. The Professional Fee Escrow Account shall be maintained in trust for the Professionals. Such funds shall not be considered property of the Debtors or Reorganized Debtors. The amount of Accrued Professional Compensation Claims owing to the Professionals shall be paid in Cash to such Professionals from funds held in the Professional Fee Escrow Account when such Claims are Allowed by a Final Order. When all Allowed Accrued Professional Compensation Claims are paid in full in Cash, amounts remaining in the Professional Fee Escrow Account, if any, shall revert to New LightSquared.

3. Professional Fee Reserve Amount

To receive payment for unbilled fees and expenses incurred through the Effective Date, the Professionals shall estimate their Accrued Professional Compensation Claims prior to and as of the Confirmation Date, along with an estimate of fees and expenses to be incurred through the Effective Date, and shall deliver such estimate to the Debtors and each of the New Investors no later than five (5) days prior to the anticipated Confirmation Date; provided, that such estimate shall not be considered an admission with respect to the fees and expenses of such Professional. If a Professional does not provide an estimate, the Debtors may estimate the unbilled fees and expenses of such Professional. The total amount so estimated and agreed to by each of the New Investors and the Debtors as of the Confirmation Date shall comprise the Professional Fee Reserve Amount.

4. Post-Confirmation Date Fees and Expenses

Except as otherwise specifically provided in the Plan, on and after the Confirmation Date, the Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of, the Bankruptcy Court, and upon five (5) Business Days' advance notice to all of the New Investors, pay in Cash the reasonable legal, Professional, or other fees and expenses related to the Consummation and implementation of the Plan incurred by the Debtors on or after the Confirmation Date through the Effective Date. Upon the Confirmation Date, any requirement that Professionals comply with sections 327 through 331 of the Bankruptcy Code or the Interim Compensation Order in seeking retention or compensation for services rendered from the Confirmation Date through the Effective Date shall terminate, and the Debtors may employ and pay any Professional in the ordinary course of business without any further notice to, or action, order, or approval of, the Bankruptcy Court, subject to the terms of the New DIP Orders. The payments contemplated by this section shall be included in all final requests for payment of Claims of a Professional as contemplated by Article II.B.1 hereof.

C. *DIP Inc. Claims*

In accordance with, and subject to the terms and conditions of, the JPM Inc. Facilities Claims Purchase Agreement, SIG shall purchase in Cash from the DIP Inc. Claims Sellers all rights, title, and interest to the JPM Acquired DIP Inc. Claims on the Inc. Facilities Claims Purchase Closing Date. On, and after giving effect to, the Inc. Facilities Claims Purchase Closing Date, the JPM Acquired DIP Inc. Claims held by SIG shall be converted into New Inc. DIP Loans on a dollar-for-dollar basis.²

D. *DIP LP Claims*

In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each DIP LP Claim, except to the extent that a Holder of an Allowed DIP LP Claim agrees to

² Allowed DIP Inc. Claims (other than the JPM Acquired DIP Inc. Claims) to be repurchased and/or repaid through a combination of a purchase agreement provided by Fortress and Centerbridge and/or new Inc. DIP Financing provided by the New Investors or their affiliates, subject in each case to the terms thereof. Conforming changes to be made as appropriate to implement the foregoing construct.

less favorable or other treatment, each Holder of an Allowed DIP LP Claim shall receive, on the New LP DIP Closing Date, Plan Consideration in the form of Cash from the proceeds of the New LP DIP Facility in an amount equal to such Allowed DIP LP Claim.

E. New Inc. DIP Claims

In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed New Inc. DIP Claim, and except to the extent that a Holder of an Allowed New Inc. DIP Claim agrees to less favorable or other treatment (including with respect to the New Inc. DIP Claims held by SIG), each Holder of an Allowed New Inc. DIP Claim shall receive, on the Effective Date, Plan Consideration in the form of Cash in an amount equal to its Allowed New Inc. DIP Claim; provided that, the New Inc. DIP Claims held by SIG shall be satisfied by converting such Claims on the Effective Date into the Reorganized LightSquared Inc. Exit Facility on a dollar-for-dollar basis.

F. New LP DIP Claims

In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed New LP DIP Claim, except to the extent that a Holder of an Allowed New LP DIP Claim agrees to a less favorable or other treatment, each Holder of an Allowed New LP DIP Claim shall receive, on the Effective Date, Plan Consideration in the form of Cash in an amount equal to such Allowed New LP DIP Claims.

G. Priority Tax Claims

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable or other treatment, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim due and payable on or prior to the Effective Date shall receive on the Effective Date or as soon thereafter as reasonably practicable: (1) Plan Consideration in the form of Cash in an amount equal to such Allowed Priority Tax Claim; (2) Plan Consideration in the form of Cash in an amount agreed to by such Holder and New LightSquared; or (3) at the option of New LightSquared, Plan Consideration in the form of Cash in an aggregate amount equal to such Allowed Priority Tax Claim payable in installment payments over a period of not more than five (5) years after the Petition Date pursuant to section 1129(a)(9)(C) of the Bankruptcy Code. To the extent any Allowed Priority Tax Claim is not due and owing on the Effective Date, the Holder of such Claim shall receive Plan Consideration in the form of Cash in accordance with the terms of any agreement between New LightSquared and the Holder of such Claim, or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business.

H. Payment of Statutory Fees

On the Effective Date or as soon thereafter as reasonably practicable, the Reorganized Debtors shall pay all U.S. Trustee Fees that are due and owing on the Effective Date. Following the Effective Date, New LightSquared shall pay the U.S. Trustee Fees for each quarter (including any fraction thereof) until the first to occur of the Chapter 11 Cases being converted, dismissed, or closed.

ARTICLE III.
CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. *Summary*

The categories listed in Article III.B hereof classify Claims against, and Equity Interests in, each of the Debtors for all purposes, including voting, Confirmation, and distribution pursuant hereto and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or Equity Interest is classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Equity Interest qualifies within the description of such other Classes. A Claim or Equity Interest is also classified in a particular Class for the purpose of receiving Plan Distributions pursuant to the Plan only to the extent that such Claim or Equity Interest is an Allowed Claim or Allowed Equity Interest in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date.

B. *Classification and Treatment of Claims and Equity Interests*

To the extent a Class contains Allowed Claims or Allowed Equity Interests with respect to a particular Debtor, the treatment provided to each Class for distribution purposes is specified below:

1. Class 1 – Inc. Other Priority Claims

- (a) *Classification:* Class 1 consists of all Inc. Other Priority Claims.
- (b) *Treatment:* In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Inc. Other Priority Claim, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Inc. Other Priority Claim agrees to any other treatment, each Holder of an Allowed Inc. Other Priority Claim against an individual Inc. Debtor shall receive Plan Consideration in the form of Cash in an amount equal to such Allowed Inc. Other Priority Claim.
- (c) *Voting:* Class 1 is Unimpaired by the Plan. Each Holder of a Class 1 Inc. Other Priority Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. No Holder of a Class 1 Inc. Other Priority Claim is entitled to vote to accept or reject the Plan.

2. Class 2 – LP Other Priority Claims

- (a) *Classification:* Class 2 consists of all LP Other Priority Claims.
- (b) *Treatment:* In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed LP Other Priority Claim, on the Effective Date or as soon thereafter as reasonably practicable, except to

the extent that a Holder of an Allowed LP Other Priority Claim agrees to any other treatment, each Holder of an Allowed LP Other Priority Claim against an individual LP Debtor shall receive Plan Consideration in the form of Cash in an amount equal to such Allowed LP Other Priority Claim.

- (c) *Voting:* Class 2 is Unimpaired by the Plan. Each Holder of a Class 2 LP Other Priority Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. No Holder of a Class 2 LP Other Priority Claim is entitled to vote to accept or reject the Plan.

3. Class 3 – Inc. Other Secured Claims

- (a) *Classification:* Class 3 consists of all Inc. Other Secured Claims.
- (b) *Treatment:* In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Inc. Other Secured Claim, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Inc. Other Secured Claim agrees to any other treatment, each Holder of an Allowed Inc. Other Secured Claim against an individual Inc. Debtor shall receive one of the following treatments, in the sole discretion of the New Investors (upon agreement of all of the New Investors) or the Reorganized Debtors, as applicable: (i) Plan Consideration in the form of Cash in an amount equal to such Allowed Inc. Other Secured Claim; (ii) delivery of the Collateral securing such Allowed Inc. Other Secured Claim and payment of interest required to be paid under section 506(b) of the Bankruptcy Code, if any; or (iii) treatment of such Allowed Inc. Other Secured Claim in any other manner such that the Allowed Inc. Other Secured Claim shall be rendered Unimpaired.
- (c) *Voting:* Class 3 is Unimpaired by the Plan. Each Holder of a Class 3 Inc. Other Secured Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. No Holder of a Class 3 Inc. Other Secured Claim is entitled to vote to accept or reject the Plan.

4. Class 4 – LP Other Secured Claims

- (a) *Classification:* Class 4 consists of all LP Other Secured Claims.
- (b) *Treatment:* In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed LP Other Secured Claim, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed LP Other Secured Claim agrees to any other treatment, each Holder of an Allowed LP Other Secured Claim

against an individual LP Debtor shall receive one of the following treatments, in the sole discretion of the New Investors (upon agreement of all of the New Investors) or the Reorganized Debtors, as applicable: (i) Plan Consideration in the form of Cash in an amount equal to such Allowed LP Other Secured Claim; (ii) delivery of the Collateral securing such Allowed LP Other Secured Claim and payment of interest required to be paid under section 506(b) of the Bankruptcy Code, if any; or (iii) treatment of such Allowed LP Other Secured Claim in any other manner such that the Allowed LP Other Secured Claim shall be rendered Unimpaired.

- (c) *Voting:* Class 4 is Unimpaired by the Plan. Each Holder of a Class 4 LP Other Secured Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. No Holder of a Class 4 LP Other Secured Claim is entitled to vote to accept or reject the Plan.

5. Class 5 - Prepetition Inc. Facility Non-Subordinated Claims

- (a) *Classification:* Class 5 consists of all Prepetition Inc. Facility Non-Subordinated Claims.
- (b) *Allowance:* Prepetition Inc. Facility Non-Subordinated Claims shall be Allowed Claims in the aggregate amount of \$335,308,901.54 as of December 31, 2014 (and as increased on a *per diem* basis through and including the Effective Date to account for Inc. Facility Postpetition Interest allocable to the Prepetition Inc. Facility Non-Subordinated Claims accrued from January 1, 2015 through the Effective Date) for all purposes and, for the avoidance of doubt, shall include all principal, Inc. Facility Prepetition Interest, and Inc. Facility Postpetition Interest allocable to the Prepetition Inc. Facility Non-Subordinated Claims through and including the Effective Date, but shall exclude any Prepetition Inc. Facility Repayment Premium allocable to the Prepetition Inc. Facility Non-Subordinated Claims (which amount shall not be Allowed).
- (c) *Treatment:* In accordance with, and subject to the terms and conditions of, the JPM Inc. Facilities Claims Purchase Agreement, on the Inc. Facilities Claims Purchase Closing Date, SIG shall purchase in Cash from the Prepetition Inc. Facility Claims Sellers all rights, title, and interest to those Allowed Prepetition Inc. Facility Non-Subordinated Claims that are Acquired Inc. Facility Claims in exchange for the Acquired Inc. Facility Claims Purchase Price. In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Prepetition Inc. Facility Non-Subordinated Claim and the termination of Liens securing such Claims, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Prepetition Inc. Facility Non-Subordinated Claim agrees to any other treatment, each

Allowed Prepetition Inc. Facility Non-Subordinated Claim, which shall include all Inc. Facility Postpetition Interest allocable to the Prepetition Inc. Facility Non-Subordinated Claims through and including the Effective Date, shall be converted into the Reorganized LightSquared Inc. Exit Facility on a dollar-for-dollar basis on the Effective Date.

- (d) *Voting:* Class 5 is Impaired by the Plan. Each Holder of a Class 5 Prepetition Inc. Facility Non-Subordinated Claim as of the Voting Record Date is entitled to vote to accept or reject the Plan.

6. Class 6 - Prepetition Inc. Facility Subordinated Claims

- (a) *Classification:* Class 6 consists of all Prepetition Inc. Facility Subordinated Claims.
- (b) *Allowance:* Prepetition Inc. Facility Subordinated Claims shall be Allowed Claims in the aggregate amount of \$188,903,095.98 as of December 31, 2014 (and as increased on a *per diem* basis through and including the Effective Date to account for Inc. Facility Postpetition Interest allocable to the Prepetition Inc. Facility Subordinated Claims accrued from January 1, 2015 through the Effective Date) for all purposes and, for the avoidance of doubt, shall include all principal, Inc. Facility Prepetition Interest and Inc. Facility Postpetition Interest allocable to the Prepetition Inc. Facility Subordinated Claims through and including the Effective Date, but shall exclude any Inc. Facility Repayment Premium allocable to the Prepetition Inc. Facility Subordinated Claims (which amount shall not be Allowed).
- (c) *Treatment:* In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Prepetition Inc. Facility Subordinated Claim and the termination of Liens securing such Claims and Harbinger's contribution to New LightSquared of the Harbinger Litigations, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Prepetition Inc. Facility Subordinated Claim agrees to any other treatment, each Holder of an Allowed Prepetition Inc. Facility Subordinated Claim shall receive Plan Consideration in the form of such Holder's pro rata share of (i) New LightSquared Series A Preferred Interests having an original liquidation preference equal to the Allowed amount of the principal amount of Prepetition Inc. Facility Subordinated Claims, plus the Inc. Facility Prepetition Interest and the Inc. Facility Postpetition Interest allocable to the Prepetition Inc. Facility Subordinated Claims as of the Effective Date, plus \$122,000,000, and (ii) 44.45% of the New LightSquared Common Interests. For the avoidance of doubt, the treatment provided to Class 6 herein shall satisfy in full any and all Claims (including, without limitation, guarantee claims and adequate protection claims) that may be asserted by the Holders of Prepetition Inc. Facility Subordinated Claims against any and all Debtors.

- (d) *Voting:* Class 6 is Impaired by the Plan. Each Holder of a Class 6 Prepetition Inc. Facility Subordinated Claim as of the Voting Record Date is entitled to vote to accept or reject the Plan.

7. Class 7A - Prepetition LP Facility Non-SPSO Claims

- (a) *Classification:* Class 7A consists of all Prepetition LP Facility Non-SPSO Claims.
- (b) *Allowance:* The Prepetition LP Facility Non-SPSO Claims against the LP Debtors shall be Allowed Claims on the Effective Date for all purposes, and, for the avoidance of doubt, shall include all LP Facility Postpetition Interest, all LP Facility Prepetition Interest, the LP Facility Repayment Premium, and the Prepetition LP Fee Claims.
- (c) *Treatment:* In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Prepetition LP Facility Non-SPSO Claim, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Prepetition LP Facility Non-SPSO Claim agrees to any other treatment, each such Holder of an Allowed Prepetition LP Facility Non-SPSO Claim against the LP Debtors shall receive Tranche A Second Lien Exit Term Loans in a principal amount equal to such Holder's Allowed Prepetition LP Facility Non-SPSO Claim as of the Effective Date.
- (d) *Voting:* Class 7A is Impaired by the Plan. Each Holder of a Class 7A Prepetition LP Facility Non-SPSO Claim as of the Voting Record Date is entitled to vote to accept or reject the Plan.

8. Class 7B - Prepetition LP Facility SPSO Claims

- (a) *Classification:* Class 7B consists of all Prepetition LP Facility SPSO Claims.
- (b) *Allowance:* The Prepetition LP Facility SPSO Claims against the LP Debtors shall be Allowed Claims on the Effective Date for all purposes and shall include all LP Facility Postpetition Interest, all LP Facility Prepetition Interest, the LP Facility Repayment Premium, and the Prepetition LP Fee Claims, provided that Classes 7B and 8B vote to accept the Plan. For the avoidance of doubt, to the extent that Classes 7B and 8B do not vote to accept the Plan, all parties in interest shall have the right to assert all claims and defenses to the allowance of any and all Prepetition LP Facility SPSO Claims.
- (c) *Treatment:* In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Prepetition LP Facility SPSO Claim, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Prepetition

LP Facility SPSO Claim agrees to any other treatment, each such Holder of an Allowed Prepetition LP Facility SPSO Claim against the LP Debtors shall receive Tranche B Second Lien Exit Term Loans in a principal amount equal to such Holder's Allowed Prepetition LP Facility SPSO Claim as of the Effective Date.

- (d) *Voting:* Class 7B is Impaired by the Plan. Each Holder of a Class 7B Prepetition LP Facility SPSO Claim as of the Voting Record Date is entitled to vote to accept or reject the Plan.

9. Class 8A –Prepetition LP Facility Non-SPSO Guaranty Claims

- (a) *Classification:* Inc. Class 8A consists of all Prepetition LP Facility Non-SPSO Guaranty Claims.
- (b) *Allowance:* The Prepetition LP Facility Non-SPSO Guaranty Claims shall be Allowed Claims on the Effective Date for all purposes, and for the avoidance of doubt shall include all LP Facility Postpetition Interest, all LP Facility Prepetition Interest, the LP Facility Repayment Premium, and the Prepetition LP Fee Claims.
- (c) *Treatment:* In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Prepetition LP Facility Non-SPSO Guaranty Claim, on the Effective Date, and except to the extent that a Holder of an Allowed Prepetition LP Facility Non-SPSO Guaranty Claim agrees to any other treatment, the Inc. Debtors who are New LightSquared Obligor shall each provide to the agent under the Second Lien Exit Facility guaranties of New LightSquared's obligations under the Second Lien Exit Facility, which guaranty shall be secured by the assets of such New LightSquared Obligor, and the New LightSquared Obligor will grant liens to the agent under the Second Lien Exit Facility on all other assets received by the New LightSquared Obligor from the Reorganized Inc. Entities pursuant to Article IV.B.2(c)(i) hereof.
- (d) *Voting:* Class 8A is Impaired by the Plan. Each Holder of a Class 8A Prepetition LP Facility Non-SPSO Guaranty Claim as of the Voting Record Date is entitled to vote to accept or reject the Plan. If the Holder of a Class 8A Prepetition LP Facility Non-SPSO Guaranty Claim votes to accept the Plan, such vote also shall be deemed an acceptance of the Plan with respect to Claims held by such Holder in Class 7A.

10. Class 8B –Prepetition LP Facility SPSO Guaranty Claims

- (a) *Classification:* Class 8B consists of all Prepetition LP Facility SPSO Guaranty Claims.
- (b) *Allowance:* The Prepetition LP Facility SPSO Guaranty Claims shall be Allowed Claims on the Effective Date for all purposes and shall include

all LP Facility Postpetition Interest, all LP Facility Prepetition Interest, the LP Facility Repayment Premium, and the Prepetition LP Fee Claims, provided that Classes 7B and 8B vote to accept the Plan. For the avoidance of doubt, to the extent that Classes 7B and 8B do not vote to accept the Plan, all parties in interest shall have the right to assert all claims and defenses to the allowance of any and all Prepetition LP Facility SPSO Guaranty Claims.

- (c) *Treatment:* In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Prepetition LP Facility SPSO Guaranty Claim, on the Effective Date, and except to the extent that a Holder of an Allowed Prepetition LP Facility SPSO Guaranty Claim agrees to any other treatment, the Inc. Debtors who are New LightSquared Obligor shall each provide to the agent under the Second Lien Exit Facility guaranties of New LightSquared's obligations under the Second Lien Exit Facility, which guaranty shall be secured by the assets of such New LightSquared Obligor, and the New LightSquared Obligor will grant liens to the agent under the Second Lien Exit Facility on all other assets received by the New LightSquared Obligor from the Reorganized Inc. Entities pursuant to Article IV.B.2(c)(i) hereof.
- (d) *Voting:* Class 8B is Impaired by the Plan. Each Holder of a Class 8B Prepetition LP Facility SPSO Guaranty Claim as of the Voting Record Date is entitled to vote to accept or reject the Plan. If the Holder of a Class 8B Prepetition LP Facility SPSO Guaranty Claim votes to accept the Plan, such vote also shall be deemed an acceptance of the Plan with respect to Claims held by such Holder in Class 7B.

11. Class 9 – Inc. General Unsecured Claims

- (a) *Classification:* Class 9 consists of all Inc. General Unsecured Claims.
- (b) *Treatment:* In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Inc. General Unsecured Claim, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Inc. General Unsecured Claim agrees to any other treatment, each Holder of an Allowed Inc. General Unsecured Claim against an individual Inc. Debtor shall receive Plan Consideration in the form of Cash in an amount equal to such Allowed Inc. General Unsecured Claim.
- (c) *Voting:* Class 9 is Unimpaired by the Plan. Each Holder of a Class 9 Inc. General Unsecured Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. No Holder of a Class 9 Inc. General Unsecured Claim is entitled to vote to accept or reject the Plan.

12. Class 10 – LP General Unsecured Claims

- (a) *Classification:* Class 10 consists of all LP General Unsecured Claims.
- (b) *Treatment:* In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed LP General Unsecured Claim, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed LP General Unsecured Claim agrees to any other treatment, each Holder of an Allowed LP General Unsecured Claim against an individual LP Debtor shall receive Plan Consideration in the form of Cash in an amount equal to such Allowed LP General Unsecured Claim.
- (c) *Voting:* Class 10 is Unimpaired by the Plan. Each Holder of a Class 10 LP General Unsecured Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. No Holder of a Class 10 LP General Unsecured Claim is entitled to vote to accept or reject the Plan.

13. Class 11 – Existing LP Preferred Units Equity Interests

- (a) *Classification:* Class 11 consists of all Existing LP Preferred Units Equity Interests.
- (b) *Treatment:* In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Existing LP Preferred Units Equity Interest, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Existing LP Preferred Units Equity Interest agrees to any other treatment, each Holder of an Allowed Existing LP Preferred Units Equity Interest shall receive Plan Consideration in the form of such Holder's pro rata share of New LightSquared Series C Preferred Interests having an original liquidation preference of \$248,000,000.
- (c) *Voting:* Class 11 is Impaired by the Plan. Each Holder of a Class 11 Existing LP Preferred Units Equity Interest as of the Voting Record Date is entitled to vote to accept or reject the Plan.

14. Class 12 – Existing Inc. Preferred Stock Equity Interests

- (a) *Classification:* Class 12 consists of all Existing Inc. Preferred Stock Equity Interests.
- (b) *Treatment:* In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Existing Inc. Preferred Stock Equity Interest, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Existing Inc. Preferred Stock Equity Interest agrees to any other treatment:

- (i) each Other Existing Inc. Preferred Equity Holder shall receive on account of its Allowed Existing Inc. Preferred Stock Equity Interest Plan Consideration in the form of such Holder's pro rata share of New LightSquared Series C Preferred Interests having an original liquidation preference of \$27,000,000 in the manner set forth in Section IV.B.2(d)(iii) below; and
- (ii) SIG shall receive 100% of the Reorganized LightSquared Inc. Common Shares issued as of the Effective Date.
- (c) *Voting:* Class 12 is Impaired by the Plan. Each Holder of a Class 12 Existing Inc. Preferred Stock Equity Interest as of the Voting Record Date is entitled to vote to accept or reject the Plan.

15. Class 13 – Existing LP Common Units Equity Interests

- (a) *Classification:* Class 13 consists of all Existing LP Common Units Equity Interests.
- (b) *Treatment:* All Existing LP Common Units Equity Interests shall be cancelled as of the Effective Date, and Holders of Existing LP Common Units Equity Interests shall not receive any distribution under the Plan on account of such Existing LP Common Units Equity Interests.
- (c) *Voting:* Class 13 is Impaired by the Plan. Each Holder of a Class 13 Existing LP Common Units Equity Interest is deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. No Holder of an Class 13 Existing LP Common Units Equity Interest is entitled to vote to accept or reject the Plan.

16. Class 14 – Existing Inc. Common Stock Equity Interests

- (a) *Classification:* Class 14 consists of all Existing Inc. Common Stock Equity Interests.
- (b) *Treatment:* All Existing Inc. Common Stock Equity Interests shall be cancelled as of the Effective Date, and Holders of Existing Inc. Common Stock Equity Interests shall not receive any distribution under the Plan on account of such Existing Inc. Common Stock Equity Interests.
- (c) *Voting:* Class 14 is Impaired by the Plan. Each Holder of a Class 14 Existing Inc. Common Stock Equity Interest is deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. No Holder of a Class 14 Existing Inc. Common Stock Equity Interest is entitled to vote to accept or reject the Plan.

17. Class 15A – Inc. Debtor Intercompany Claims

- (a) *Classification:* Class 15A consists of all Intercompany Claims against the Inc. Debtors.
- (b) *Treatment:* Holders of Allowed Intercompany Claims against an Inc. Debtor shall not receive any distribution from Plan Consideration on account of such Intercompany Claims.
- (c) *Voting:* Class 15A is Impaired by the Plan. Each Holder of a Class 15A Inc. Debtor Intercompany Claim is conclusively presumed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. No Holder of a Class 15A – Inc. Debtor Intercompany Claim is entitled to vote to accept or reject the Plan.

18. Class 15B – LP Debtor Intercompany Claims

- (a) *Classification:* Class 15B consists of all Intercompany Claims against the LP Debtors.
- (b) *Treatment:* In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Intercompany Claim against an LP Debtor, on the Effective Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Intercompany Claim against an LP Debtor agrees to any other treatment, each Allowed Intercompany Claim against an LP Debtor shall be Reinstated for the benefit of the Holder thereof; provided, that the Inc. Debtors agree that they shall not receive any recovery on account of, and shall discharge, any and all of the Intercompany Claims that they can assert against each of the LP Debtors. After the Effective Date, the Reorganized LP Debtors, in their sole discretion, shall have the right to resolve or compromise Allowed Intercompany Claims against an LP Debtor without further notice to or action, order, or approval of the Bankruptcy Court.
- (c) *Voting:* Class 15B is Unimpaired by the Plan. Each Holder of a Class 15B LP Debtor Intercompany Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. No Holder of a Class 15B LP Debtor Intercompany Claim is entitled to vote to accept or reject the Plan.

19. Class 16A – LP Debtor Intercompany Interests

- (a) *Classification:* Class 16A consists of all Intercompany Interests in an LP Debtor.
- (b) *Treatment:* In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Intercompany Interest in an LP Debtor, other than Allowed Existing LP Common Units, on the Effective

Date or as soon thereafter as reasonably practicable, except to the extent that a Holder of an Allowed Intercompany Interest in an LP Debtor agrees to any other treatment, each Allowed Intercompany Interest in an LP Debtor, other than Allowed Existing LP Common Units, shall be Reinstated for the benefit of the Holder thereof and treated in accordance with the Plan, as applicable.

- (c) *Voting:* Class 16A is Unimpaired by the Plan. Each Holder of a LP Debtor Class 16A Intercompany Interest is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. No Holder of a LP Debtor Class 16A Intercompany Interest is entitled to vote to accept or reject the Plan.

20. Class 16B – Inc. Debtor Intercompany Interests

- (a) *Classification:* Class 16B consists of all Intercompany Interests in an Inc. Debtor.
- (b) *Treatment:* In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Intercompany Interest in an Inc. Debtor, on the Effective Date or as soon thereafter as reasonably practicable, and except to the extent an Intercompany Interest in an Inc. Debtor is assigned or otherwise transferred pursuant to Article IV.B.2(c) hereof, each Allowed Intercompany Interest in an Inc. Debtor shall be Reinstated for the benefit of the Holder thereof and treated in accordance with the Plan, as applicable.
- (c) *Voting:* Class 16B is Unimpaired by the Plan. Each Holder of an Inc. Debtor Class 16B Intercompany Interest is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. No Holder of an Inc. Debtor Class 16B Intercompany Interest is entitled to vote to accept or reject the Plan.

C. *Special Provision Governing Unimpaired Claims and Equity Interests*

Except as otherwise provided in the Plan, nothing under the Plan shall affect the Debtors' rights in respect of any Unimpaired Claims or Equity Interests, including, without limitation, all rights in respect of legal and equitable defenses to, or setoffs or recoupments against, any such Unimpaired Claims or Equity Interests.

D. *Acceptance or Rejection of Plan*

1. Voting Classes Under Plan

Under the Plan, Classes 5, 6, 7A, 7B, 8A, 8B, 11, and 12 are Impaired, and each Holder of a Claim or Equity Interest as of the Voting Record Date in such Classes is entitled to vote to accept or reject the Plan.

2. Presumed Acceptance Under Plan

Under the Plan, (a) Classes 1, 2, 3, 4, 9, 10, 15B, 16A, and 16B are Unimpaired, (b) the Holders of Claims in such Classes are conclusively presumed to have accepted the Plan, and (c) such Holders are not entitled to vote to accept or reject the Plan.

3. Acceptance by Impaired Classes of Claims or Equity Interests

Pursuant to section 1126(c) of the Bankruptcy Code, and except as otherwise provided in section 1126(e) of the Bankruptcy Code, an Impaired Class of Claims has accepted the Plan if the Holders of at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims in such Class actually voting have voted to accept the Plan.

Pursuant to section 1126(d) of the Bankruptcy Code, and except as otherwise provided in section 1126(e) of the Bankruptcy Code, an Impaired Class of Equity Interests has accepted the Plan if the Holders of at least two-thirds (2/3) in amount of the Allowed Equity Interests in such Class actually voting have voted to accept the Plan.

4. Presumed Acceptance by Non-Voting Classes

If a Class contains Claims or Equity Interests eligible to vote and no Holders of Claims or Equity Interests eligible to vote in such Class vote to accept or reject the Plan, the Plan shall be presumed accepted by the Holders of such Claims or Equity Interests in such Class.

5. Deemed Rejection of the Plan

Under the Plan, Classes 13, 14, and 15A are Impaired, and the Holders of Claims and Equity Interests in such Classes (a) shall receive no distributions under the Plan on account of their Claims or Equity Interests, (b) are deemed to have rejected the Plan, and (c) are not entitled to vote to accept or reject the Plan, and the votes of such Holders shall not be solicited.

E. Elimination of Vacant Classes

Any Class of Claims or Equity Interests that does not contain a Holder of an Allowed Claim or Allowed Equity Interest, or a Claim or Equity Interest temporarily Allowed by the Bankruptcy Court as of the Confirmation Hearing Date, shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

F. Confirmation Pursuant to Section 1129(b) of Bankruptcy Code

To the extent that any Impaired Class votes to reject the Plan, the Plan Proponents may request Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code. The Plan Proponents reserve the right, with the consent of the JPM Investment Parties, to revoke or withdraw the Plan or any document in the Plan Supplement, subject to and in accordance with the Plan Support Agreement (or, in the case of the Debtors, the terms of the Plan). The Plan Proponents also reserve the right to alter, amend, or modify the Plan or any document in the Plan

Supplement, including amending or modifying it to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary, subject to and in accordance with the Plan Support Agreement (or, in the case of the Debtors, the terms of the Plan). Any alternative treatment to be provided to a Holder of Claims or Equity Interests instead of the treatment expressly provided in this Article III shall require the prior consent of each New Investor and the Debtors.

G. Controversy Concerning Impairment

If a controversy arises as to whether any Claims or Equity Interests, or any Class of Claims or Equity Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

**ARTICLE IV.
MEANS FOR IMPLEMENTATION OF PLAN**

A. Sources of Consideration for Plan Distributions

All consideration necessary for the Disbursing Agent to make Plan Distributions shall be derived from Cash on hand and proceeds from the New DIP Facilities, the Working Capital Facility, the Second Lien Exit Facility, the Reorganized LightSquared Inc. Exit Facility as well as the New LightSquared Entities Shares.

B. Plan Transactions

The Confirmation Order shall be deemed to authorize, among other things, the Plan Transactions. On and after the Confirmation Date or the Effective Date, as applicable, the Plan Proponents, with the consent of each New Investor, or the Reorganized Debtors, as applicable, may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan and this Article IV, including: (1) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, reorganization, or dissolution containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of the Plan; (3) the filing of appropriate certificates of incorporation, certificates of partnership, merger, amalgamation, consolidation, conversion, reconstitution, or dissolution with the appropriate governmental authorities pursuant to applicable law; and (4) all other actions that each of the New Investors or the Reorganized Debtors, as applicable, determine are necessary or appropriate.

1. Confirmation Date Plan Transactions. Certain Plan Transactions occurring prior to, on, or as soon as practicable after the Confirmation Date shall include, without limitation, the following:

- (a) On the New Inc. DIP Closing Date, the New Inc. DIP Obligors, New Inc. DIP Lenders, and other relevant Entities shall enter into the New Inc. DIP Credit Agreement. The New Inc. DIP Facility may be combined with the New LP DIP Facility. On the New Inc. DIP Closing Date, subject to the

terms of the New Inc. DIP Credit Agreement, the New Inc. DIP Lenders shall fund the New Inc. DIP Facility (including by SIG converting the JPM Acquired DIP Inc. Claims into New Inc. DIP Loans) and the proceeds thereof shall be used to indefeasibly repay in full in Cash the Allowed DIP Inc. Claims (other than the JPM Acquired DIP Inc. Claims), and for general corporate purposes and to fund the working capital needs of the Inc. Debtors through the Effective Date.

- (b) On the New LP DIP Closing Date, the New LP DIP Obligors, New LP DIP Lenders, and other relevant Entities shall enter into the New LP DIP Credit Agreement. The New LP DIP Facility may be combined with the New Inc. DIP Facility. On the New LP DIP Closing Date, subject to the terms of the New LP DIP Credit Agreement, the New LP DIP Lenders shall fund the New LP DIP Facility, and the proceeds thereof shall be used to indefeasibly repay in full in Cash the Allowed DIP LP Claims and for general corporate purposes and to fund the working capital needs of the LP Debtors through the Effective Date.
- (c) Pursuant to, and subject to the terms and conditions of, the JPM Inc. Facilities Claims Purchase Agreement, SIG shall purchase from the DIP Inc. Claims Sellers in Cash all right, title, and interest to the JPM Acquired DIP Inc. Claims upon the Inc. Facilities Claims Purchase Closing Date. On the Inc. Facilities Claims Purchase Closing Date, the JPM Acquired DIP Inc. Claims purchased by SIG shall be converted into New Inc. DIP Loans on a dollar-for-dollar basis, which on the Effective Date, shall be converted into the Reorganized LightSquared Inc. Exit Facility as set forth in Article IV.B.2(d)(i).
- (d) Pursuant to, and subject to the terms and conditions of, the JPM Inc. Facilities Claims Purchase Agreement, SIG shall purchase from the Prepetition Inc. Facility Claim Sellers in Cash all right, title, and interest to the Acquired Inc. Facility Claims upon the Inc. Facilities Claims Purchase Closing Date. For the avoidance of doubt, the Inc. Facility Postpetition Interest shall continue to accrue on the Acquired Inc. Facility Claims after the Inc. Facilities Claims Purchase Closing Date through the Effective Date. On the Effective Date, the Acquired Inc. Facility Claims shall be converted into the Reorganized LightSquared Inc. Exit Facility as set forth in Article IV.B.2(d)(i) below.

2. Effective Date Plan Transactions. Plan Transactions occurring on the Effective Date shall include, without limitation, the following:

- (a) LightSquared LP shall be converted to a Delaware limited liability company pursuant to applicable law.
- (b) Fortress and Centerbridge shall fund to New LightSquared their Effective Date Investments. As consideration for such Effective Date Investments,

New LightSquared shall issue: (i) to Fortress, 26.20% of New LightSquared Common Interests and New LightSquared Series B Preferred Interests having an original liquidation preference of \$68,391,643.16; and (ii) to Centerbridge, 8.10% of New LightSquared Common Interests and New LightSquared Series B Preferred Interests having an original liquidation preference of \$21,108,531.85.

(c) Certain Transactions Between New LightSquared and Reorganized Inc. Entities.

- (i) On the Effective Date, each Reorganized Inc. Entity shall assign, contribute or otherwise transfer to New LightSquared substantially all of its assets, including all legal, equitable, and beneficial right, title, and interest thereto and therein, including, without limitation, all of its equity interests, if any, in any Reorganized Debtor (except as provided below), intellectual property, contractual rights, Retained Causes of Action, and the right to prosecute such Retained Causes of Action and receive the benefits therefrom; but excluding each Reorganized Inc. Entity's tax attributes and direct or indirect equity interests in One Dot Four Corp., SkyTerra Rollup LLC, SkyTerra Rollup Sub LLC, TMI Communications Delaware, Limited Partnership, LightSquared Investors Holdings Inc. and SkyTerra Investors LLC; and
- (ii) As consideration for the Reorganized Inc. Entities assigning, contributing or otherwise transferring their assets to New LightSquared as described in clause (i) above, on the Effective Date, New LightSquared shall (A) issue to the Reorganized Inc. Entities (1) 21.25% of the New LightSquared Common Interests, (2) New LightSquared Series C Preferred Interests having an original liquidation preference of \$100,000,000 (subject to the distribution obligations set forth in Article IV.B.2(d)(iii)), (3) New LightSquared Series B Preferred Interests having an original liquidation preference of \$41,000,000 and (4) New LightSquared Series A Preferred Interests having an original liquidation preference equal to the Allowed Prepetition Inc. Facility Non-Subordinated Claims held by SIG as of the Effective Date; and (B) assume all obligations with respect to, and make the Plan Distributions required to be made under the Plan with respect to Allowed Inc. Other Priority Claims, Allowed Inc. Other Secured Claims, Allowed Prepetition Inc. Facility Subordinated Claims, and Allowed Inc. General Unsecured Claims.

(d) Certain Transactions Regarding Claims Against and Equity Interests in the Inc. Debtors.

- (i) The Acquired Inc. Facility Claims (including all Inc. Facility Postpetition Interest) and the New Inc. DIP Loans held by SIG (as a result of the conversion of its JPM Acquired DIP Inc. Claims into such New Inc. DIP Loans in accordance with Article II.C.), will be converted into the Reorganized LightSquared Inc. Exit Facility on a dollar-for-dollar basis;
- (ii) Reorganized LightSquared Inc. shall issue 100% of the Reorganized LightSquared Inc. Common Shares to SIG in satisfaction of its Existing Inc. Preferred Equity Interests as set forth in Article III.B.14(b)(ii) hereof;
- (iii) The Reorganized Inc. Entities shall distribute to Other Existing Inc. Preferred Equity Holders in satisfaction of their Existing Inc. Preferred Equity Interests as set forth in Article III.B.14(b)(i) hereof, New LightSquared Series C Preferred Interests having an original liquidation preference of \$27,000,000; and
- (iv) After giving effect to the transfer of assets contemplated by Article IV.B.2(c) above, and to the distributions of New LightSquared Series C Preferred Interests contemplated by Article IV.B.2(d)(iii) above, Reorganized LightSquared Inc. will hold 21.25% of New LightSquared Common Interests, New LightSquared Series C Preferred Interests having an original liquidation preference of \$73,000,000, New LightSquared Series B Preferred Interests having an original liquidation preference of \$41,000,000 and New LightSquared Series A Preferred Interests having an original liquidation preference equal to the Prepetition Inc. Facility Non-Subordinated Claims held by SIG as of the Effective Date, and will retain its and the other Reorganized Inc. Entity's tax attributes and 100% of the equity interests in One Dot Four Corp., SkyTerra Rollup LLC, SkyTerra Rollup Sub LLC, TMI Communications Delaware, Limited Partnership, LightSquared Investors Holdings Inc. and SkyTerra Investors LLC.

3. New LightSquared Loan Facilities.

- (a) New LightSquared and the other relevant Entities shall enter into the Working Capital Facility and the Second Lien Exit Facility. Confirmation of the Plan shall constitute (i) approval of the Working Capital Facility, Second Lien Exit Facility, and all transactions contemplated thereby, including any and all actions to be taken, undertakings to be made, and obligations to be incurred by the New LightSquared Obligors in connection therewith, including the payment of all fees, indemnities, and

expenses provided for therein, and (ii) authorization for the New LightSquared Obligor to enter into and execute the Working Capital Facility Credit Agreement, the Second Lien Exit Credit Agreement and such other documents as may be required or appropriate. On the Effective Date, the Working Capital Facility and the Second Lien Exit Facility, together with any new promissory notes evidencing the obligations of the New LightSquared Obligor, and all other documents, instruments, mortgages, and agreements to be entered into, delivered, or confirmed thereunder, shall become effective, valid, binding, and enforceable in accordance with their terms, and each party thereto shall be bound thereby. The obligations incurred by the New LightSquared Obligor pursuant to the Working Capital Facility and the Second Lien Exit Facility and related documents shall be secured and paid or otherwise satisfied pursuant to, and as set forth in, the Working Capital Facility Credit Agreement, the Second Lien Exit Credit Agreement and related documents.

- (i) Working Capital Facility. The New LightSquared Obligor, Working Capital Lenders, and other relevant Entities shall enter into the Working Capital Facility. The Working Capital Lenders shall fund the Working Capital Facility through the provision of new financing, in accordance with the Plan, Confirmation Order, and Working Capital Facility Credit Agreement, and shall provide for loans in the aggregate principal amount of up to \$1,250,000,000.

The Working Capital Facility Loans shall be secured by senior liens on all assets of the New LightSquared Obligor, and shall have market terms and conditions satisfactory to New LightSquared, each of the New Investors, and the Debtors.

New LightSquared shall use the proceeds from the Working Capital Facility for the purposes specified in the Plan, including to satisfy Allowed Administrative Claims, repay the New DIP Facilities, for general corporate purposes and working capital needs, and to make Plan Distributions.

The Working Capital Facility Loans may not be made by or assigned or otherwise transferred (including by participation) to any Prohibited Transferee and any assignment or other transfer (including by participation) to a Prohibited Transferee shall be *void ab initio*.

- (ii) Second Lien Exit Facility. The New LightSquared Obligor and the other relevant Entities shall enter into the Second Lien Exit Facility. The Second Lien Exit Facility shall be funded through the conversion of the Prepetition LP Facility Non-SPSO Claims

and the Prepetition LP Facility SPSO Claims into loans under the Second Lien Exit Facility in accordance with the Plan, Confirmation Order, and Second Lien Exit Credit Agreement. The Second Lien Exit Facility shall provide for loans in the aggregate principal amount of the Allowed Prepetition LP Facility Claims as of the Effective Date. Second Lien Exit Term Loans shall be secured by second liens on all assets of the New LightSquared Obligors, have a five (5) year term, bear interest at the rate of the higher of (a) 12% and (b) 300 basis points greater than the interest rate of the Working Capital Facility per annum, payable in kind, and subject in each case to the terms of the Second Lien Exit Facility Credit Agreement.

The Second Lien Exit Term Loans made pursuant to the Second Lien Exit Facility shall be made by the Holders of Allowed Prepetition LP Facility Claims.

Other than Holders of Prepetition LP Facility SPSO Claims, who shall be prohibited from increasing (excluding any accrued and capitalized interest) their holdings of Second Lien Exit Term Loans from the amount received by them from the Disbursing Agent on the Effective Date, no Prohibited Transferee (including SPSO Parties) shall be permitted to hold (either by assignment, participation or otherwise) any Second Lien Exit Term Loans and any assignment or other transfer (including by participation) thereof to a Prohibited Transferee (including SPSO Parties) shall be *void ab initio*.

If any Tranche B Second Lien Exit Term Loans are transferred to an Eligible Transferee (as determined by the New LightSquared Board), such Tranche B Second Lien Exit Term Loans shall convert into Tranche A Second Lien Exit Term Loans and shall have full voting rights.

The Second Lien Exit Credit Agreement shall also provide that, prior to a vote or other consent solicitation on any matter requiring a vote or consent by Second Lien Exit Term Lenders (or any portion thereof), the administrative agent under the Second Lien Exit Facility must receive prior to each such vote or consent solicitation a written certification from each Second Lien Exit Term Lender (other than SPSO) that no Prohibited Transferee has any direct or indirect interest (including, without limitation, pursuant to any participation or voting agreement) in such Second Lien Exit Term Lender's Second Lien Exit Term Loans (and if no such certificate is delivered by a particular Second Lien Exit Term Lender, such Second Lien Exit Term Lender's Second Lien Exit

Term Loans shall be excluded from such vote or consent solicitation).

4. Reorganized LightSquared Inc. Exit Facility.

- (a) Reorganized LightSquared Inc. and SIG shall enter into the Reorganized LightSquared Inc. Exit Facility, which shall provide for loans in the aggregate principal amount equal to the amount of the New Inc. DIP Loans held by SIG as of the Effective Date and the Acquired Inc. Facility Claims as of the Effective Date, and which shall be secured by liens on all assets of Reorganized LightSquared Inc. The Reorganized LightSquared Inc. Exit Facility shall be funded through the conversion of the Acquired Inc. Facility Claims and the New Inc. DIP Loans held by SIG into loans under the Reorganized LightSquared Inc. Exit Facility in accordance with the Plan.
- (b) Confirmation of the Plan shall constitute (i) approval of the Reorganized LightSquared Inc. Exit Facility and all transactions contemplated thereby, including any and all actions to be taken, undertakings to be made, and obligations to be incurred by Reorganized LightSquared Inc. in connection therewith, and (ii) authorization for Reorganized LightSquared Inc. to enter into and execute the Reorganized LightSquared Inc. Credit Agreement and such other documents as may be required or appropriate.
- (c) On the Effective Date, the Reorganized LightSquared Inc. Exit Facility, together with any new promissory notes evidencing the obligations of Reorganized LightSquared Inc. and all other documents, instruments, mortgages, and agreements to be entered into, delivered, or confirmed thereunder, shall become effective, valid, binding, and enforceable in accordance with their terms, and each party thereto shall be bound thereby. The obligations incurred by Reorganized LightSquared Inc. pursuant to the Reorganized LightSquared Inc. Exit Facility and related documents shall be secured and paid or otherwise satisfied pursuant to, and as set forth in, the Reorganized LightSquared Inc. Credit Agreement and related documents.

C. *Issuance of New LightSquared Entities Shares; Reinstatement of Reinstated Intercompany Interests*

On the Effective Date or as soon thereafter as reasonably practicable, except as otherwise provided herein, (1) New LightSquared or Reorganized LightSquared Inc., as applicable, shall (a) issue the New LightSquared Entities Shares required to be issued in accordance with the Plan and all related instruments, certificates, and other documents required to be issued or distributed pursuant to the Plan, and (2) all Intercompany Interests shall be Reinstated for the benefit of the Holders thereof and treated in accordance with the Plan, as applicable. The issuance of the New LightSquared Entities Shares and the Reinstatement of the Reinstated Intercompany Interests are authorized without the need for any further corporate action or without further notice to, or

action, order, or approval of, the Bankruptcy Court, the Canadian Court, or any other Entity. All of the New LightSquared Entities Shares issued (or Reinstated) pursuant to the Plan shall be duly authorized, validly issued, and, if applicable, fully paid and non-assessable.

The applicable Reorganized Debtors Governance Documents shall contain provisions necessary to (1) except as consented to by the initial holder thereof, prohibit the issuance of nonvoting equity securities as required by section 1123(a)(6) of the Bankruptcy Code, subject to further amendment of the applicable Reorganized Debtors Governance Documents as permitted by applicable law, and (2) effectuate the provisions of the Plan, in each case without any further action by the holders of New LightSquared Entities Shares or directors of the Debtors or the Reorganized Debtors.

On the Effective Date, New LightSquared shall issue the New LightSquared Series A Preferred Interests, the New LightSquared Series B Preferred Interests and the New LightSquared Series C Preferred Interests, the respective terms and rights of which shall be set forth in the New LightSquared Interest Holders Agreement.

D. Section 1145 and Other Exemptions

The offering, issuance, and distribution of the securities contemplated by the Plan and any and all agreements incorporated herein, including the New LightSquared Entities Shares, shall be exempt from, among other things, the registration and prospectus delivery requirements of section 5 of the Securities Act, and any other applicable state and federal law requiring registration or delivery of a prospectus prior to the offering, issuance, distribution, or sale of securities, pursuant to section 1145 of the Bankruptcy Code or pursuant to another applicable exemption from registration requirements of the Securities Act. In addition, any securities contemplated by the Plan and any and all agreements incorporated therein, including the New LightSquared Entities Shares, shall be subject to (1) if issued pursuant to section 1145 of the Bankruptcy Code, the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, (2) compliance with any rules and regulations of the Securities and Exchange Commission, if any, applicable at the time of any future transfer of such securities or instruments, (3) the restrictions, if any, on the transferability of such securities and instruments, including those set forth in the Reorganized Debtors Governance Documents, and (4) applicable regulatory approval, if any.

E. Listing of New LightSquared Entities Shares; Reporting Obligations

Except as may be determined in accordance with the Reorganized Debtors Governance Documents, the Reorganized Debtors shall not be (1) obligated to list the New LightSquared Entities Shares on a national securities exchange, (2) reporting companies under the Securities Exchange Act, (3) required to file reports with the Securities and Exchange Commission or any other Entity or party, or (4) required to file monthly operating reports, or any other type of report, with the Bankruptcy Court after the Effective Date. In order to prevent the Reorganized Debtors from becoming subject to the reporting requirements of the Securities Exchange Act, except in connection with a public offering, the Reorganized Debtors Governance Documents may impose certain trading restrictions, and the New LightSquared Entities Shares shall be subject to certain transfer and other restrictions pursuant to the Reorganized Debtors Governance Documents.

F. New LightSquared Interest Holders Agreement

On the Effective Date, New LightSquared shall enter into and deliver the New LightSquared Interest Holders Agreement.

Confirmation of the Plan shall constitute (1) approval of the New LightSquared Interest Holders Agreement and all transactions contemplated thereby, including any and all actions to be taken, undertakings to be made, and obligations to be incurred by New LightSquared, and (2) authorization for New LightSquared to enter into and execute the New LightSquared Interest Holders Agreement and such other documents as may be required or appropriate. On the Effective Date, the New LightSquared Interest Holders Agreement, together with all other documents, instruments, and agreements to be entered into, delivered, or confirmed thereunder, shall become effective, valid, binding, and enforceable in accordance with their terms, and each party thereto shall be bound thereby. The obligations incurred by New LightSquared pursuant to the New LightSquared Interest Holders Agreement and related documents shall be satisfied pursuant to, and as set forth in, the New LightSquared Interest Holders Agreement and related documents.

The New LightSquared Interest Holders Agreement shall provide that, among other things, Harbinger shall have, in accordance with the terms set forth in the Plan Support Agreement, a call option to purchase from Reorganized LightSquared Inc. three percent (3%) of the New LightSquared Common Interests.

If each of the New Investors and the Debtors determine, on a Holder by Holder basis, that it is necessary or advisable from a regulatory approval standpoint, certain potential holders of New LightSquared Interests shall be issued warrants to acquire such New LightSquared Interests in lieu of direct ownership of New LightSquared Interests.

The New LightSquared Board shall be comprised of seven (7) members, which shall include: two (2) members appointed by Fortress; one (1) member appointed by Reorganized LightSquared Inc.; one (1) member appointed by Centerbridge; one (1) independent member; the Chief Executive Officer of New LightSquared; and the Chairman of the New LightSquared Board. The New LightSquared Board shall not include any Harbinger employees, affiliates or representatives. If agreed to by each of the New Investors, the New LightSquared Board can be expanded in size. In addition, New LightSquared shall have a separate advisory committee of the New LightSquared Board, with five (5) members, one (1) of which shall be appointed by Reorganized LightSquared Inc., two (2) of which shall be appointed by Fortress, one (1) of which shall be appointed by Centerbridge, and one (1) of which shall be appointed as provided in the New LightSquared Interest Holders Agreement.

G. Indemnification Provisions in Reorganized Debtors Governance Documents

Except as provided in the Plan Supplement and except as may be agreed to by SIG with respect to the Reorganized Debtors Governance Documents of the Reorganized Inc. Entities, as of the Effective Date, the Reorganized Debtors Governance Documents shall provide for the indemnification, defense, reimbursement, exculpation, and limitation of liability of, and advancement of fees and expenses to, the Reorganized Debtors' then current directors, officers,

employees, or agents (and such directors, officers, employees, or agents that held such positions as of the Confirmation Date) at least to the same extent as the organizational documents of each of the respective Debtors on the Petition Date, against any claims or Causes of Action whether direct or derivative, liquidated or unliquidated, fixed or contingent, disputed or undisputed, matured or unmatured, known or unknown, foreseen or unforeseen, or asserted or unasserted, and none of the Reorganized Debtors, other than the Reorganized Inc. Entities, shall amend or restate the Reorganized Debtors Governance Documents before or after the Effective Date to terminate or materially adversely affect any of the Reorganized Debtors' obligations to provide such indemnification rights or such directors', officers', employees', or agents' indemnification rights.

H. Management Incentive Plan

On or as soon as practicable following the Consummation of the Plan, the New LightSquared Board shall adopt a Management Incentive Plan in accordance with the terms of the New LightSquared Interest Holders Agreement and subject to the approval of each of the New Investors.

I. Corporate Governance

As shall be set forth in the Reorganized Debtors Governance Documents, the Reorganized Debtors Boards shall consist of a number of members and be appointed in a manner, subject to applicable law, to be agreed upon by each of the New Investors (including as specified in Article IV.F) or otherwise provided in the Reorganized Debtors Governance Documents. In accordance with section 1129(a)(5) of the Bankruptcy Code, the Debtors shall disclose the following at, or prior to, the Confirmation Hearing: (1) the identities and affiliations of any Person proposed to serve as a member of the Reorganized Debtors Boards or officer of the Reorganized Debtors and (2) the nature of compensation for any officer employed or retained by the Reorganized Debtors who is an "insider" under section 101(31) of the Bankruptcy Code.

J. Vesting of Assets in Reorganized Debtors

Except as otherwise provided in the Plan or any agreement, instrument, or other document incorporated therein, on the Effective Date, notwithstanding any prohibition of assignability under applicable non-bankruptcy law and in accordance with section 1141 of the Bankruptcy Code, all property in each Estate, all Retained Causes of Action, and any property acquired by any of the Debtors pursuant to the Plan shall vest in each respective Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances (except for (1) any Liens granted to secure the Working Capital Facility and any rights of any of the parties under the Working Capital Facility Credit Agreement or any related documents, (2) any Liens granted to secure the Second Lien Exit Facility and any rights of any of the parties under the Second Lien Exit Credit Agreement or any related documents, (3) any Liens granted to secure the Reorganized LightSquared Inc. Exit Facility and any rights of any of the parties under the Reorganized LightSquared Inc. Credit Agreement or any related documents, and (4) any rights of any of the parties under any of Reorganized Debtors Governance Documents) without further notice to, or action, order, or approval of, the Bankruptcy Court, the Canadian Court, or any other Entity.

On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property and compromise or settle any Claims, Equity Interests, or Retained Causes of Action without further notice to, or action, order, or approval of, the Bankruptcy Court, the Canadian Court, or any other Entity and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

EXCEPT AS OTHERWISE PROVIDED IN THE PLAN, AFTER THE EFFECTIVE DATE, NO REORGANIZED DEBTOR AND NO AFFILIATE OF ANY SUCH REORGANIZED DEBTOR SHALL HAVE, OR BE CONSTRUED TO HAVE OR MAINTAIN, ANY LIABILITY, CLAIM, OR OBLIGATION THAT IS BASED IN WHOLE OR IN PART ON ANY ACT, OMISSION, TRANSACTION, EVENT, OR OTHER OCCURRENCE OR THING OCCURRING OR IN EXISTENCE ON OR PRIOR TO THE EFFECTIVE DATE OF THE PLAN (INCLUDING, WITHOUT LIMITATION, ANY LIABILITY, CLAIM, OR OBLIGATION ARISING UNDER APPLICABLE NON-BANKRUPTCY LAW AS A SUCCESSOR TO LIGHTSQUARED INC., LIGHTSQUARED LP, OR ANY OTHER DEBTOR) AND NO SUCH LIABILITY, CLAIM, OR OBLIGATION FOR ANY ACTS SHALL ATTACH TO ANY OF THE REORGANIZED DEBTORS OR ANY OF THEIR AFFILIATES.

K. Cancellation of Securities and Agreements

On the Effective Date (or the New DIP Closing Date with respect to the DIP Inc. Facility and the DIP LP Facility), except as otherwise specifically provided for in the Plan, including with respect to the Acquired Inc. Facility Claims and JPM Acquired DIP Inc. Claims: (1) the obligations of the Debtors under the DIP Facilities, the Prepetition Loan Documents, the Existing Shares, and any other Certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of, or ownership interest in, the Debtors giving rise to any Claim or Equity Interest (except such Certificates, Equity Interests, notes, or other instruments or documents evidencing indebtedness or obligations of the Debtors that may be Reinstated pursuant to the Plan), shall be cancelled solely as to the Debtors, and the Reorganized Debtors shall not have any continuing obligations thereunder; and (2) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, Certificates, notes, bonds, indentures, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors (except such agreements, Certificates, notes, or other instruments evidencing indebtedness or obligations of the Debtors that are specifically Reinstated pursuant to the Plan) shall be released and discharged; provided, however, that any agreement that governs the rights of the Holder of a Claim or Equity Interest shall continue in effect solely for the purposes of allowing such Holders to receive Plan Distributions under the Plan; provided, further, that (1) the preceding proviso shall not affect the discharge of Claims or Equity Interests pursuant to the Bankruptcy Code, the Confirmation Order, the Confirmation Recognition Order, or the Plan or result in any expense or liability to the Reorganized Debtors and (2) the terms and provisions of the Plan shall modify any existing contract or agreement that would in any way be inconsistent with distributions under the Plan.

On the Confirmation Date, but subject to the Effective Date, (1) the obligations of the Debtors Stalking Horse Agreement and the Bid Procedures Order shall be cancelled as to the Debtors, and the Reorganized Debtors shall not have any continuing obligations thereunder and (2) the obligations of the Debtors pursuant, relating, or pertaining to the Stalking Horse Agreement or the Bid Procedures Order to pay any LBAC Break-Up Fee or Expense Reimbursement, to the extent payable in accordance with the terms thereof, shall be released and discharged. For the avoidance of doubt, no party shall be entitled to, or receive (nor shall any reserve be required on account of), any LBAC Break-Up Fee or Expense Reimbursement.

L. Corporate Existence

Except as otherwise provided in the Plan or as contemplated by the Plan Transactions, each Debtor shall continue to exist after the Effective Date as a separate corporate Entity, limited liability company, unlimited liability company, partnership, or other form, as applicable, with all the powers of a corporation, limited liability company, unlimited liability company, partnership, or other form, as applicable, pursuant to the applicable law in the jurisdiction in which each applicable Debtor is incorporated or formed and pursuant to the respective certificate of incorporation and bylaws (or other formation documents) in effect prior to the Effective Date, except to the extent such certificate of incorporation and bylaws (or other formation documents) are amended by the Plan or otherwise, and to the extent such documents are amended, such documents are deemed to be amended pursuant to the Plan without further notice to, or action, order, or approval of, the Bankruptcy Court, the Canadian Court (to the extent permitted by Canadian law), or any other Entity.

M. Corporate Action

Upon the Effective Date, all actions contemplated by the Plan shall be deemed authorized, approved, and, to the extent taken prior to the Effective Date, ratified without any requirement for further action by Holders of Claims or Equity Interests, directors, managers, or officers of the Debtors, the Reorganized Debtors, or any other Entity or Person, including, without limitation, the following: (1) execution of, and entry into, the Working Capital Facility Credit Agreement, the Second Lien Exit Credit Agreement, the Reorganized LightSquared Inc. Credit Agreement, the Exit Intercreditor Agreement, the Reorganized Debtors Governance Documents, the Management Incentive Plan, and commitment letters and such other documents as may be required or appropriate with respect to the foregoing; (2) consummation of the reorganization and restructuring transactions contemplated by the Plan and performance of all actions and transactions contemplated thereby; (3) rejection, assumption, or assumption and assignment, as applicable, of Executory Contracts and Unexpired Leases; (4) selection of the managers and officers for the Reorganized Debtors; (5) the issuance, reinstatement, and distribution of the New LightSquared Entities Shares; and (6) all other acts or actions contemplated or reasonably necessary or appropriate to promptly consummate the transactions contemplated by the Plan (whether to occur before, on, or after the Effective Date). All matters specifically provided for in the Plan involving the company structure of the Debtors, and any company action required by the Debtors in connection therewith, shall be deemed to have occurred on, and shall be in effect as of, the Effective Date, without any requirement of further action by the security holders, directors, managers, authorized persons, or officers of the Debtors.

On or, as applicable, prior to the Effective Date, the appropriate officers, managers, or authorized person of the Debtors (including, any president, vice-president, chief executive officer, treasurer, general counsel, or chief financial officer thereof) shall be authorized and directed to issue, enter, execute, and deliver the agreements, documents, securities, certificates of incorporation, certificates of formation, bylaws, operating agreements, and instruments contemplated by the Plan (or necessary or desirable to effect the transactions contemplated by the Plan) in the name, and on behalf, of the Debtors, including, as appropriate: (1) the Working Capital Facility Credit Agreement (2) the Second Lien Exit Credit Agreement; (3) the Reorganized LightSquared Inc. Credit Agreement; (4) the Exit Intercreditor Agreement; (5) the Reorganized Debtors Governance Documents; (6) the Management Incentive Plan; and (7) any and all other agreements, documents, securities, and instruments related to the foregoing. The authorizations and approvals contemplated by this Article IV.M shall be effective notwithstanding any requirements under non-bankruptcy law.

N. Effectuating Documents; Further Transactions

On and after the Effective Date, the Reorganized Debtors and the officers and members of the boards of directors or managers thereof, are authorized to and may issue, execute, deliver, file, or record such contracts, securities, instruments, releases, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and the securities issued pursuant to the Plan in the name, and on behalf, of the Reorganized Debtors, without further notice to or action, order, or approval of the Bankruptcy Court, the Canadian Court, or any other Entity.

O. Exemption from Certain Taxes and Fees

Pursuant to section 1146(a) of the Bankruptcy Code, any transfer from a Debtor to a Reorganized Debtor or to any Entity pursuant to, in contemplation of, or in connection with the Plan or pursuant to (1) the issuance, distribution, transfer, or exchange of any debt, equity security, or other interest in the Debtors or the Reorganized Debtors, (2) the creation, modification, consolidation, or recording of any mortgage, deed of trust, or other security interest, or the securing of additional indebtedness by such or other means, (3) the making, assignment, or recording of any lease or sublease, or (4) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles, or similar tax, mortgage tax, real estate transfer tax, sales or use tax, mortgage recording tax, Uniform Commercial Code filing or recording fee, FCC filing or recording fee, Industry Canada filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

P. Preservation, Transfer, and Waiver of Rights of Action

In accordance with section 1123(b) of the Bankruptcy Code, but subject to Article VIII hereof, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any Retained Causes of Actions that may be described in the Plan Supplement, and the Reorganized Debtors' rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Cause of Action against them as any indication that the Debtors or the Reorganized Debtors, as applicable, shall not pursue any and all available Causes of Action against them. The Debtors or the Reorganized Debtors, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan. Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Bankruptcy Court order, the Reorganized Debtors expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation. In accordance with section 1123(b)(3) of the Bankruptcy Code, any Causes of Action that a Debtor may hold against any Entity shall vest in New LightSquared.

Upon the Effective Date of the Plan, Harbinger shall irrevocably assign to New LightSquared all Harbinger Litigations. New LightSquared will receive all Retained Causes of Action Proceeds, which, for the avoidance of doubt, shall include any and all proceeds from any of the Harbinger Litigations.

Q. Assumption of D&O Liability Insurance Policies

To the extent that the D&O Liability Insurance Policies are considered to be Executory Contracts, then, notwithstanding anything in the Plan to the contrary, the Debtors shall be deemed to have assumed all of the Debtors' unexpired D&O Liability Insurance Policies pursuant to section 365(a) of the Bankruptcy Code effective as of the Effective Date; provided that, all D&O Liability Insurance Policies to which a Reorganized Inc. Entity would be a counterparty or obligor shall be assigned to New LightSquared on the Effective Date and no Reorganized Inc. Entity shall have any liability or obligations with respect to any D&O Liability Insurance Policies. Entry of the Confirmation Order shall constitute, subject to the occurrence of the Effective Date, the Bankruptcy Court's approval of the Debtors' foregoing assumption of each of the unexpired D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained in the Plan, but without limiting the proviso in the first sentence of this paragraph, Confirmation of the Plan shall not discharge, impair, or otherwise modify any indemnity obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies, and each such indemnity obligation shall be deemed and treated as an Executory Contract that has been assumed by the Debtors under the Plan as to which no Proof of Claim need be filed.

In addition, but subject to the proviso in the first sentence of the first paragraph in this Article IV.Q, after the Effective Date, none of the Reorganized Debtors shall terminate or otherwise reduce the coverage under any D&O Liability Insurance Policies (including any “tail policy”) in effect on the Petition Date, with respect to conduct occurring prior thereto, and all directors and officers of the Debtors who served in such capacity at any time prior to the Effective Date shall be entitled to the full benefits of any such policy for the full term of such policy regardless of whether such directors and officers remain in such positions after the Effective Date. As of the Effective Date, New LightSquared shall purchase and maintain continuing director and officer insurance coverage for a tail period of six (6) years.

R. Employee and Retiree Benefits

Except as otherwise provided in the Plan, on and after the Effective Date, New LightSquared shall assume and continue to perform the Debtors’ obligations to: (1) honor, in the ordinary course of business, any contracts, agreements, policies, programs, and plans, in each case, to the extent disclosed in the Disclosure Statement or the First Day Pleadings, for, among other things, compensation and wages (including equity based and bonus compensation), health care benefits, disability benefits, deferred compensation benefits, travel benefits, savings, severance or termination benefits, retirement benefits, welfare benefits, workers’ compensation insurance, and accidental death and dismemberment insurance for the directors, officers, and current and former employees of any of the Debtors who served in such capacity at any time; and (2) honor, in the ordinary course of business, Claims of current and former employees employed as of the Effective Date for accrued vacation time arising prior to the Petition Date; provided, however, that the Debtors’ or Reorganized Debtors’ performance of any employment agreement shall not entitle any Person or Entity to any benefit or alleged entitlement under any policy, program, or plan that has expired or been terminated before the Effective Date, or restore, reinstate, or revive any such benefit or alleged entitlement under any such policy, program, or plan. In addition, as of the Effective Date, (1) Equity Interests granted to an existing employee of the Debtors pursuant to any equity plan maintained by the Debtors or under any existing employment agreement of the Debtors, and any such applicable equity plan, shall be (a) fully vested and (b) cancelled and terminated and (2) Holders of such Equity Interests shall be treated in accordance with Class 12 in Article III.B.14 hereof; provided, that the applicable Reorganized Debtors Boards shall maintain the discretion to execute and implement agreements or plans that grant current and former employees of the applicable Reorganized Debtors awards of stock options, equity appreciation rights, restricted equity, phantom equity, or any other Cash or performance-based awards as the Reorganized Debtors Boards deem appropriate.

Nothing in the Plan shall limit, diminish, or otherwise alter the Reorganized Debtors’ defenses, claims, Causes of Action, or other rights with respect to any such contracts, agreements, policies, programs, and plans. Notwithstanding the foregoing, pursuant to section 1129(a)(13) of the Bankruptcy Code, on and after the Effective Date, all retiree benefits (as that term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid to the extent required by applicable law.

ARTICLE V.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases

1. Rejection of Executory Contracts and Unexpired Leases

Except as otherwise provided herein (including Article IV.R hereof), each Executory Contract and Unexpired Lease shall be deemed automatically rejected pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date, unless any such Executory Contract or Unexpired Lease (a) is listed on the Schedule of Assumed Agreements in the Plan Supplement, (b) has been previously assumed, assumed and assigned, or rejected by the Debtors by Final Order of the Bankruptcy Court or has been assumed, assumed and assigned, or rejected by the Debtors by order of the Bankruptcy Court as of the Effective Date, which order becomes a Final Order after the Effective Date, (c) is the subject of a motion to assume, assume and assign, or reject pending as of the Effective Date, (d) is an Intercompany Contract, or (e) is otherwise assumed, or assumed and assigned, pursuant to the terms herein.

The Confirmation Order shall constitute an order of the Bankruptcy Court approving such rejections pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date. Non-Debtor parties to Executory Contracts or Unexpired Leases that are rejected as of the Effective Date shall have the right to assert a Claim on account of the rejection of such Executory Contracts or Unexpired Leases, including under section 502(g) of the Bankruptcy Code; provided, however, that the non-Debtor parties must comply with Article V.B hereof.

2. Assumption of Executory Contracts and Unexpired Leases

In connection with the Confirmation and Consummation of the Plan, the New Investors (upon agreement of all of the New Investors) and the Debtors shall designate the Executory Contracts and Unexpired Leases to be assumed, or assumed and assigned, pursuant to, and in accordance with, the Plan, which designated Executory Contracts and Unexpired Leases will be listed on the Schedule of Assumed Agreements in the Plan Supplement. On the Effective Date, the Debtors shall assume, or assume and assign, all of the Executory Contracts and Unexpired Leases listed on the Schedule of Assumed Agreements in the Plan Supplement; provided, that all assumed Executory Contracts and Unexpired Leases to which a Reorganized Inc. Entity would be a counterparty or obligor shall be assigned to New LightSquared on the Effective Date and no Reorganized Inc. Entity shall have any liability or obligations with respect to any such Executory Contracts and Unexpired Leases.

With respect to each Executory Contract and Unexpired Lease listed on the Schedule of Assumed Agreements in the Plan Supplement, the Debtors shall have designated a proposed amount of the Cure Costs, and the assumption, or assumption and assignment, of such Executory Contract and Unexpired Lease may be conditioned upon the disposition of all issues with respect to such Cure Costs. The Confirmation Order shall constitute an order of the Bankruptcy Court approving any such assumptions, or assumptions and assignments, pursuant to sections 365(a) and 1123 of the Bankruptcy Code.

Any and all Proofs of Claim based upon Executory Contracts or Unexpired Leases that have been assumed, or assumed and assigned, in the Chapter 11 Cases, including hereunder, except Proofs of Claim asserting Cure Costs pursuant to the order approving such assumption, or assumption and assignment, including the Confirmation Order, shall be deemed disallowed and expunged from the Claims Register as of the Effective Date without any further notice to, or action, order, or approval of, the Bankruptcy Court.

B. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Notwithstanding anything in the Claims Bar Date Order to the contrary, if the rejection of an Executory Contract or Unexpired Lease, including pursuant hereto, gives rise to a Claim by the non-Debtor party or parties to such contract or lease, such Claim shall be forever barred and shall not be enforceable against the Debtors, their respective successors, or their respective property unless a Proof of Claim is Filed and served on the Reorganized Debtors no later than thirty (30) days after the Effective Date. All Allowed Claims arising from the rejection of the Inc. Debtors' Executory Contracts and Unexpired Leases shall be classified as Inc. General Unsecured Claims and shall be treated in accordance with Class 9 in Article III.B.11 hereof, and all Allowed Claims arising from the rejection of the LP Debtors' Executory Contracts and Unexpired Leases shall be classified as LP General Unsecured Claims and shall be treated in accordance with Class 10 in Article III.B.12 hereof.

C. Cure of Defaults for Executory Contracts and Unexpired Leases Assumed Pursuant to Plan

With respect to any Executory Contract or Unexpired Lease to be assumed, or assumed and assigned, pursuant hereto, all Cure Costs shall be satisfied as Administrative Claims of the applicable Debtors' Estates at the option of the New Investors (upon agreement of all of the New Investors) and the Debtors or the Reorganized Debtors (as applicable) (1) by payment of the Cure Costs with Plan Consideration in the form of Cash on the Effective Date or as soon thereafter as reasonably practicable or (2) on such other terms as the parties to each such Executory Contract or Unexpired Lease may otherwise agree without further notice to, or action, order, or approval of, the Bankruptcy Court, the Canadian Court, or any other Entity, provided that no Reorganized Inc. Entity shall have any obligation with respect to such Cure Costs.

In accordance with the Bid Procedures Order, on November 22, 2013, the Debtors Filed with the Bankruptcy Court and served upon all counterparties to such Executory Contracts and Unexpired Leases, a notice regarding any potential assumption, or assumption and assignment, of their Executory Contracts and Unexpired Leases and the proposed Cure Costs in connection therewith, which notice (1) listed the applicable Cure Costs, if any, (2) described the procedures for filing objections to the proposed assumption, assumption and assignment, or Cure Costs, and (3) explained the process by which related disputes shall be resolved by the Bankruptcy Court. Any objection by a counterparty to an Executory Contract or Unexpired Lease to any potential assumption, assumption and assignment, or related Cure Costs must have been Filed, served, and actually received by (1) 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 the Debtors, and (2) any other notice parties identified on the 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 Reorganized Debtors' financial wherewithal must have been Filed, served, and actually received by the appropriate notice parties no later than [_____] at 4:00 p.m. (prevailing Eastern time). Any counterparty to an Executory Contract or Unexpired Lease that failed to timely object to the proposed assumption, assumption and assignment, or Cure Costs shall be deemed to have assented to such assumption, assumption and assignment, or Cure Costs, as applicable. For the avoidance of doubt, if there is any discrepancy between the Schedule of Assumed Agreements and the notice referenced above in this paragraph, the Schedule of Assumed Agreements shall govern.

In the event of a dispute regarding (1) the amount of any Cure Costs, (2) the ability of the Reorganized Debtors to provide adequate assurance of future performance (within the meaning of section 365 of the Bankruptcy Code) under such Executory Contract or Unexpired Lease to be assumed, or assumed and assigned, or (3) any other matter pertaining to assumption, or assumption and assignment, of such Executory Contract or Unexpired Lease, the payment of any Cure Costs shall be made following the entry of a Final Order resolving the dispute and approving the assumption, or assumption and assignment, of such Executory Contract or Unexpired Lease; provided, however, that the New Investors (upon agreement of all of the New Investors) and the Debtors or New LightSquared, as applicable, may settle any dispute regarding the amount of any Cure Costs without further notice to, or action, order, or approval of, the Bankruptcy Court, the Canadian Court, or any other Entity; provided, further, that notwithstanding anything to the contrary herein, prior to the Effective Date, the Debtors (with the consent of each of the New Investors) reserve the right to reject any Executory Contract or Unexpired Lease; provided, further, that the Bankruptcy Court shall adjudicate and decide any unresolved disputes relating to the assumption of Executory Contracts and Unexpired Leases, including, without limitation, disputed issues relating to Cure Costs, financial wherewithal, or adequate assurance of future performance, at a hearing scheduled for a date and time set forth in the Confirmation Order.

Assumption, or assumption and assignment, of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy-related defaults, arising under any assumed, or assumed and assigned, Executory Contract or Unexpired Lease at any time prior to the effective date of assumption, or assumption and assignment.

D. Pre-existing Obligations to Debtors Under Executory Contracts and Unexpired Leases

Rejection of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall not constitute a termination of pre-existing obligations owed to the Debtors under such contracts or leases. In particular, notwithstanding any non-bankruptcy law to the contrary, each of the New Investors and the Reorganized Debtors expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the Debtors or New LightSquared, as applicable, contracting from non-Debtor counterparties to rejected Executory Contracts or Unexpired Leases.

E. Intercompany Contracts, Contracts, and Leases Entered into After Petition Date, Assumed Executory Contracts, and Unexpired Leases

Any (1) Intercompany Contracts, (2) contracts and leases entered into after the Petition Date by any Debtor to the extent not rejected prior to the Effective Date, and (3) any Executory Contracts and Unexpired Leases assumed, or assumed and assigned, by any Debtor and not rejected prior to the Effective Date, may be performed by the applicable Reorganized Debtor in the ordinary course of business. Any such contracts and leases described in the foregoing clauses (1) through (3) to which a Reorganized Inc. Entity or any of its subsidiaries is a counterparty or obligor shall be assigned to New LightSquared and, upon such assignment, no Reorganized Inc. Entity shall retain any obligations or liabilities thereunder.

F. Modifications, Amendments, Supplements, Restatements, or Other Agreements

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed, or assumed and assigned, shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease and all Executory Contracts and Unexpired Leases related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or is rejected under the Plan.

Modifications, amendments, supplements, and restatements to Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

G. Postpetition Contracts and Leases

Each Reorganized Debtor shall perform its obligations under each contract and lease entered into by the respective Debtor or applicable Reorganized Debtor after the Petition Date to the extent not rejected prior to the Effective Date, including any Executory Contract and Unexpired Lease assumed by such Debtor or Reorganized Debtor, in each case, in accordance with, and subject to, the then applicable terms; provided that each Reorganized Inc. Entity shall assign such obligations to New LightSquared on the Effective Date. Accordingly, such contracts and leases to the extent not rejected prior to the Effective Date (including any assumed Executory Contracts or Unexpired Leases) shall survive, and remain unaffected by, entry of the Confirmation Order.

H. Reservation of Rights

Neither the exclusion nor inclusion of any contract or lease by the New Investors on any exhibit to the Plan Supplement, nor anything contained in the Plan, shall constitute an admission by any of the New Investors that any such contract or lease is or is not, in fact, an Executory Contract or Unexpired Lease or that the Debtors, or their respective Affiliates, have any liability thereunder.

The Debtors and New LightSquared, with the consent of each New Investor, reserve the right to alter, amend, modify, or supplement the Schedule of Assumed Agreements until and including the Effective Date or as otherwise provided by Bankruptcy Court order; provided, however, that if there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption, assumption and assignment, or with respect to asserted Cure Costs, then the New Investors and the Reorganized Debtors shall have thirty (30) days following the entry of a Final Order resolving such dispute to amend the decision to assume, or assume and assign, such Executory Contract or Unexpired Lease.

I. Nonoccurrence of Effective Date

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any consensual request to extend the deadline for assuming, assuming and assigning, or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code.

**ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS**

A. Distribution Record Date

As of the close of business on the Distribution Record Date, the various transfer registers for each of the Classes of Claims or Equity Interests as maintained by the Debtors, the DIP Inc. Lenders, the DIP LP Lenders, and the New DIP Lenders, the Prepetition Lenders, or their respective agents, shall be deemed closed, and there shall be no further changes in the record Holders of any of the Claims or Equity Interests. Except as otherwise provided in the Plan (including with respect to the Acquired Inc. Facility Claims and the JPM Acquired DIP Inc. Claims), the Debtors and the Reorganized Debtors, as applicable, shall have no obligation to recognize any transfer of the Claims or Equity Interests occurring on or after the Distribution Record Date. Except as otherwise provided in the Plan (including with respect to the Acquired Inc. Facility Claims and the JPM Acquired DIP Inc. Claims), the Debtors and the Reorganized Debtors, as applicable, shall be entitled to recognize and deal for all purposes hereunder only with those record Holders stated on the transfer ledgers as of the close of business on the Distribution Record Date, to the extent applicable.

B. Timing and Calculation of Amounts To Be Distributed

Unless otherwise provided in the Plan, including with respect to distributions contemplated hereunder to Holders of DIP Inc. Claims and DIP LP Claims on the New DIP Closing Date and/or the Inc. Facilities Claims Purchase Closing Date, as applicable, on the Effective Date or as soon thereafter as reasonably practicable (or if a Claim or an Equity Interest is not Allowed on the Effective Date, on the date that such a Claim or an Equity Interest is Allowed, or as soon thereafter as reasonably practicable), each Holder of an Allowed Claim or an Allowed Equity Interest shall receive the full amount of the Plan Distribution that such Holder is entitled to pursuant to the Plan; provided, however, that Allowed Administrative Claims with respect to liabilities incurred by the Debtors in the ordinary course of business during the Chapter 11 Cases, or assumed by the Debtors on or prior to the Effective Date, shall be paid or

performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice.

Upon the Consummation of the Plan, the New LightSquared Entities Shares shall be deemed to be issued to (and the Reinstated Intercompany Interests shall be deemed to be Reinstated for the benefit of), as of the Effective Date, the eligible Holders of Allowed Claims or Allowed Equity Interests, and the other eligible Entities hereunder, as applicable, without the need for further action by any Debtor, Disbursing Agent, Reorganized Debtor, or any other Entity, including, without limitation, the issuance or delivery of any certificate evidencing any such debts, securities, shares, units, or interests, as applicable. Except as otherwise provided herein, the eligible Holders of Allowed Claims and Allowed Equity Interests, and the other eligible Entities hereunder entitled to receive Plan Distributions pursuant to the terms of the Plan shall not be entitled to interest, dividends, or accruals on such Plan Distributions, regardless of whether such Plan Distributions are delivered on or at any time after the Effective Date.

The Disbursing Agent is authorized to make periodic Plan Distributions on account of Allowed Claims and Allowed Equity Interests and, if such periodic Plan Distributions are made, the Disbursing Agent shall reserve any applicable Plan Consideration from Plan Distributions to applicable Holders equal to the Plan Distributions to which Holders of Disputed Claims or Disputed Equity Interests would be entitled if such Disputed Claims or Disputed Equity Interests become Allowed.

C. Disbursing Agent

All Plan Distributions shall be made by New LightSquared as Disbursing Agent, or such other Entity designated by the New Investors (upon agreement of all of the New Investors) or New LightSquared, as applicable, as Disbursing Agent, including Reorganized LightSquared Inc. to the extent set forth in Article IV.B.2(d). A Disbursing Agent shall not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. Additionally, in the event that a Disbursing Agent is so otherwise ordered, all costs and expenses of procuring any such bond or surety shall be as agreed by and between all of the New Investors or the Reorganized Debtors, as applicable, and such Disbursing Agent.

Except as otherwise provided herein, Plan Distributions of Plan Consideration under the Plan shall be made by the Debtors or the Reorganized Debtors, as applicable, to the Disbursing Agent for the benefit of the Holders of Allowed Claims or Allowed Equity Interests, and the other eligible Entities hereunder, as applicable. All Plan Distributions by the Disbursing Agent shall be at the discretion of the Debtors or the Reorganized Debtors, as applicable, and the Disbursing Agent shall not have any liability to any Entity for Plan Distributions made by them under the Plan.

D. Rights and Powers of Disbursing Agent

1. Powers of Disbursing Agent

The Disbursing Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan;

(b) make all Plan Distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof without any further notice to, or action, order, or approval of, the Bankruptcy Court, the Canadian Court, or any other Entity.

2. Expenses Incurred On or After Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Disbursing Agent on or after the Effective Date (including taxes), and any reasonable compensation and expense reimbursement claims (including reasonable attorneys' fees and expenses) made by the Disbursing Agent, shall be paid in Cash by New LightSquared.

E. Plan Distributions on Account of Claims and Equity Interests Allowed After Effective Date

1. Payments and Plan Distributions on Disputed Claims and Disputed Equity Interests

Plan Distributions made after the Effective Date to Holders of Claims or Equity Interests that are not Allowed as of the Effective Date, but which later become Allowed Claims or Allowed Equity Interests, shall be deemed to have been made on the Effective Date.

2. Special Rules for Plan Distributions to Holders of Disputed Claims and Disputed Equity Interests

Notwithstanding any provision otherwise in the Plan and except as otherwise agreed to by the relevant parties and all of the New Investors, (a) no partial payments and no partial Plan Distributions shall be made with respect to a Disputed Claim or Disputed Equity Interest until all such disputes in connection with such Disputed Claim or Disputed Equity Interest, respectively, have been resolved by settlement or Final Order, and (b) any Entity that holds both (i) an Allowed Claim or an Allowed Equity Interest and (ii) a Disputed Claim or a Disputed Equity Interest shall not receive any Plan Distribution on the Allowed Claim or Allowed Equity Interest unless and until all objections to the Disputed Claim or Disputed Equity Interest, respectively, have been resolved by settlement or Final Order.

F. Delivery of Plan Distributions and Undeliverable or Unclaimed Plan Distributions

1. Delivery of Plan Distributions in General

Except as otherwise provided herein, the Disbursing Agent shall make Plan Distributions to Holders of Allowed Claims and Allowed Equity Interests at the address for each such Holder as indicated on the Debtors' or the Reorganized Debtors' records as of the date of any such Plan Distribution; provided, however, that the manner of such Plan Distributions shall be determined at the discretion of the New Investors (upon agreement of all of the New Investors) or New LightSquared; provided, further, that the address for each Holder of an Allowed Claim shall be

deemed to be the address set forth in any Proof of Claim Filed by that Holder. Any payment in Cash to be made pursuant to the Plan shall be made at the election of the Disbursing Agent by check or by wire transfer.

Each Plan Distribution referred to in Article VI hereof shall be governed by the terms and conditions set forth herein applicable to such Plan Distribution and by the terms and conditions of the instruments evidencing or relating to such Plan Distribution, if any, which terms and conditions shall bind each Entity receiving such Plan Distribution.

2. Delivery of Plan Distributions to Holders of Allowed DIP Inc. Claims

The Plan Distributions provided for Allowed DIP Inc. Claims (other than the JPM Acquired DIP Inc. Claims) pursuant to Article II.C hereof shall be made to the DIP Inc. Agent by the Debtors or the New Inc. DIP Lenders, on behalf of the Debtors, on the New Inc. DIP Closing Date.

3. Delivery of Plan Distributions to Holders of Allowed DIP LP Claims

The Plan Distributions provided for Allowed DIP LP Claims pursuant to Article II.D hereof shall be made to the DIP LP Lenders by the Debtors or the New LP DIP Lenders, on behalf of the Debtors, on the New LP DIP Closing Date.

4. Delivery of Plan Distributions to Holders of Allowed New DIP Claims

The Plan Distributions provided for Allowed New DIP Claims pursuant to Article II.E and F hereof shall be made to the New Inc. DIP Agent and New LP DIP Agent, as applicable. To the extent possible, the Reorganized Debtors and the Disbursing Agent shall provide that the applicable Plan Consideration is eligible to be distributed to the New DIP Lenders at the direction of the New Inc. DIP Agent and New LP DIP Agent, as applicable.

5. Delivery of Plan Distributions to Holders of Allowed Prepetition LP Facility Claims or Allowed Prepetition Inc. Facility Claims

Other than as provided by the JPM Inc. Facilities Claims Purchase Agreement, the Plan Distributions provided for Allowed Prepetition Inc. Facility Claims and Allowed Prepetition LP Facility Claims in Articles III.B.5, III.B.6, III.B.7, III.B.8, III.B.9 and III.B.10 hereof shall be made to applicable Holders of Allowed Prepetition Inc. Facility Claims and Allowed Prepetition LP Facility Claims by the Debtors or the Disbursing Agent, as applicable.

6. Minimum Plan Distributions

Notwithstanding anything herein to the contrary, the Disbursing Agent shall not be required to make Plan Distributions or payments of Cash of less than the amount of \$100 and shall not be required to make partial Plan Distributions or payments of fractions of dollars. Whenever any payment or Plan Distributions of a fraction of a dollar under the Plan would otherwise be called for, the actual payment or Plan Distribution shall reflect a rounding of such fraction to the nearest whole dollar, with half dollars or less being rounded down. The

Disbursing Agent shall not be required to make partial or fractional Plan Distributions of New LightSquared Entities Shares and such fractions shall be deemed to be zero.

7. Undeliverable Plan Distributions and Unclaimed Property

In the event that any Plan Distribution to any Holder is returned as undeliverable, no Plan Distribution to such Holder shall be made unless and until the Disbursing Agent has determined the then current address of such Holder, at which time such Plan Distribution shall be made to such Holder without interest; provided, however, that such Plan Distribution shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of one (1) year from the Effective Date. After such date, all unclaimed property or interests in property shall revert to New LightSquared (notwithstanding any applicable federal or state escheat, abandoned, or unclaimed property laws to the contrary), and the Claim of any Holder to such property or Equity Interest in such property shall be discharged and forever barred.

G. *Compliance with Tax Requirements/Allocations*

In connection with the Plan, to the extent applicable, the Reorganized Debtors and the Disbursing Agent shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all Plan Distributions pursuant hereto shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the Plan Distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding Plan Distributions pending receipt of information necessary to facilitate such Plan Distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to allocate all Plan Distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, Liens, and encumbrances.

Plan Distributions in respect of Allowed Claims shall be allocated first to the principal amount of such Claims (as determined for federal income tax purposes) and then, to the extent that the consideration exceeds the principal amount of the Allowed Claims, to any portion of such Allowed Claims for accrued but unpaid interest.

H. *Setoffs*

Each Debtor, or such Entity's designee as instructed by such Debtor, may, pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, set off against any Allowed Claim (other than an Allowed Prepetition LP Facility Non-SPSO Claim, an Allowed Prepetition Inc. Facility Claim, an Allowed DIP LP Facility Claim, an Allowed DIP Inc. Facility Claim, or, if SPSO is a Released Party as of the Confirmation Date, an Allowed Prepetition LP Facility SPSO Claim) or any Allowed Equity Interest (other than an Allowed Existing Inc. Preferred Stock or Allowed Existing LP Preferred Units), and the Plan Distributions on account of such Allowed Claim or Allowed Equity Interest, any and all claims, rights, and Causes of Action that a Debtor or its successors may hold against the Holder of such Allowed Claim or Allowed Equity Interest after the Effective Date; provided, however, that neither the failure to

effect a setoff or recoupment nor the allowance of any Claim or Equity Interest (other than an Allowed Prepetition LP Facility Non-SPSO Claim, an Allowed Prepetition Inc. Facility Claim, an Allowed DIP LP Facility Claim, an Allowed DIP Inc. Facility Claim, if SPSO is a Released Party as of the Confirmation Date, an Allowed Prepetition LP Facility SPSO Claim, Allowed Existing Inc. Preferred Stock, or Allowed Existing LP Preferred Units) hereunder shall constitute a waiver or release by a Debtor or its successor of any and all claims, rights, and Causes of Action that a Debtor or its successor may possess against such Holder.

I. Recoupment

In no event shall any Holder of Claims against, or Equity Interests in, the Debtors be entitled to recoup any such Claim or Equity Interest against any claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such Holder actually has performed such recoupment and provided notice thereof in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or proof of Equity Interest or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

J. Claims Paid or Payable by Third Parties

1. Claims Paid by Third Parties

The Debtors or the Reorganized Debtors, as applicable, shall reduce in full a Claim, and such Claim shall be disallowed without a Claims objection having to be Filed and without any further notice to, or action, order, or approval of, the Bankruptcy Court, the Canadian Court, or any other Entity, to the extent that the Holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor or Reorganized Debtor or the Disbursing Agent; provided, that the foregoing shall not apply with respect to Claims purchased pursuant to the JPM Inc. Facilities Claims Purchase Agreement, which Claims so purchased shall be deemed satisfied upon Consummation of the Plan. Subject to the last sentence of this paragraph, to the extent a Holder of a Claim receives a Plan Distribution on account of such Claim and receives payment from an Entity that is not a Debtor or a Reorganized Debtor or the Disbursing Agent on account of such Claim, such Holder shall, within two (2) weeks of receipt thereof, repay or return the Plan Distribution to the applicable Reorganized Debtor or the Disbursing Agent, to the extent that the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such Plan Distribution under the Plan. The failure of such Holder to timely repay or return such Plan Distribution shall result in the Holder owing the applicable Reorganized Debtor annualized interest at the Federal Judgment Rate on such amount owed for each calendar day after the two (2)-week grace period specified above until the amount is repaid.

2. Claims Payable by Third Parties

No Plan Distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full a Claim (if and to the extent adjudicated by

a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged without a Claims objection having to be Filed and without further notice to, or action, order, or approval of, the Bankruptcy Court, the Canadian Court, or any other Entity.

3. Preservation of Insurance Rights

Pursuant to section 524(e) of the Bankruptcy Code, nothing in the Plan shall release or discharge any insurer from any obligations to any Person under applicable law or any policy of insurance under which any of the Debtors is an insured or a beneficiary, nor shall anything contained herein constitute or be deemed a waiver by any of the Debtors' insurers of any defenses, including coverage defenses, held by such insurers.

**ARTICLE VII.
PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED,
AND DISPUTED CLAIMS AND DISPUTED EQUITY INTERESTS**

A. *Allowance of Claims and Equity Interests*

After the Effective Date, the Reorganized Debtors shall have and retain any and all rights and defenses that the Debtors had with respect to any Claim or Equity Interest immediately prior to the Effective Date, including the Causes of Action referenced in Article IV.P hereof. Except as expressly provided herein, no Claim or Equity Interest shall become Allowed unless and until such Claim or Equity Interest is deemed Allowed under Article I.A.8 hereof or the Bankruptcy Code.

B. *Claims and Equity Interests Administration Responsibilities*

Except as otherwise provided in the Plan, after the Effective Date, New LightSquared shall have the sole and exclusive authority to (1) File, withdraw, or litigate to judgment, objections to Claims or Equity Interests, (2) settle or compromise any Disputed Claim or Disputed Equity Interest without any further notice to, or action, order, or approval of, the Bankruptcy Court, the Canadian Court, or any other Entity, and (3) administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to, or action, order, or approval of, the Bankruptcy Court, the Canadian Court, or any other Entity.

New LightSquared shall maintain the Disputed Claims and Equity Interests Reserve on account of the Disputed Claims. The Disputed Claims and Equity Interests Reserve may be adjusted from time to time, and funds previously held in such reserve on account of Disputed Claims or Disputed Equity Interests that have subsequently become disallowed Claims or disallowed Equity Interests shall be released from such reserve and used to fund the other reserves and Plan Distributions, or for general corporate purposes and working capital needs.

C. *Estimation of Claims or Equity Interests*

Before the Effective Date, the Plan Proponents, and after the Effective Date, New LightSquared, may at any time request that the Bankruptcy Court estimate (1) any Disputed Claim or Disputed Equity Interest pursuant to applicable law and (2) any contingent or unliquidated Claim or Equity Interest pursuant to applicable law, including, without limitation,

section 502(c) of the Bankruptcy Code, for any reason, regardless of whether any Entity previously has objected to such Claim or Equity Interest or whether the Bankruptcy Court has ruled on any such objection.

The Bankruptcy Court shall retain jurisdiction to estimate any Claim or Equity Interest, any group of Claims or Equity Interests, or any Class of Claims or Equity Interests, at any time during litigation concerning any objection, including, without limitation, during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any Disputed Claim or Disputed Equity Interest, that estimated amount shall constitute either (1) the Allowed amount of such Disputed Claim or Disputed Equity Interest, (2) a maximum limitation on such Disputed Claim or Disputed Equity Interest, or (3) in the event such Disputed Claim or Disputed Equity Interest is estimated in connection with the estimation of other Claims or Equity Interests within the same Class, a maximum limitation on the aggregate amount of Allowed Claims or Equity Interests on account of such Disputed Claims or Disputed Equity Interests so estimated, in each case, for all purposes under the Plan (including for purposes of Plan Distributions); provided, however, that the Plan Proponents or New LightSquared, as applicable, may elect to pursue supplemental proceedings to object to any ultimate allowance of any Disputed Claim or Disputed Equity Interest and any ultimate Plan Distributions on such Claim or Equity Interest. Notwithstanding any provision in the Plan to the contrary, a Claim or Equity Interest that has been disallowed or expunged from the Claims Register or stock transfer ledger or similar register of the applicable Debtor, as applicable, but that is subject to appeal or has not been the subject of a Final Order, shall be deemed to be estimated at zero dollars unless otherwise ordered by the Bankruptcy Court. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any Holder of a Claim or Equity Interest that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such Holder has Filed a motion requesting the right to seek such reconsideration on or before twenty-one (21) days after the date on which such Claim or Equity Interest is estimated.

All of the aforementioned Claims or Equity Interests and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims or Equity Interests may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

D. Expungement or Adjustment to Claims or Equity Interests Without Objection

Any Claim or Equity Interest that has been paid, satisfied, superseded, or compromised in full by a particular Debtor may be expunged on the Claims Register or stock transfer ledger or similar register of such Debtor, as applicable, by the Reorganized Debtors, and any Claim or Equity Interest that has been amended may be adjusted on the Claims Register by the Reorganized Debtors, in both cases without a Claims or Equity Interests objection having to be Filed and without any further notice to, or action, order, or approval of, the Bankruptcy Court, the Canadian Court, or any other Entity. Additionally, any Claim or Equity Interest that is duplicative or redundant with another Claim or Equity Interest against the same Debtor may be adjusted or expunged on the Claims Register or stock transfer ledger or similar register of the applicable Debtor, as applicable, by the Reorganized Debtors without a Claims or Equity

Interests objection having to be Filed and without any further notice to, or action, order, or approval of, the Bankruptcy Court, the Canadian Court, or any other Entity.

E. No Interest

Unless otherwise (1) specifically provided for in the Plan or the Confirmation Order, (2) agreed to by the New Investors (upon agreement of all of the New Investors) or the Reorganized Debtors, as applicable, (3) provided for in a postpetition agreement in writing between all of the New Investors or the Reorganized Debtors, as applicable, and a Holder of a Claim, or (4) allowed under applicable bankruptcy and non-bankruptcy law, postpetition interest shall not accrue or be paid on Claims, and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim or right. Additionally, and without limiting the foregoing, and except as otherwise set forth in the Plan, interest shall not accrue or be paid on any Disputed Claim with respect to the period from the Effective Date to the date a final Plan Distribution is made on account of such Disputed Claim, if and when such Disputed Claim becomes an Allowed Claim.

F. Deadline To File Objections to Claims or Equity Interests

Any objections to Claims or Equity Interests shall be Filed no later than the Claims and Equity Interests Objection Bar Date, as may be extended from time to time upon the consent of the Debtors and each of the New Investors.

G. Disallowance of Claims or Equity Interests

Any Claims or Equity Interests held by Entities from which property is recoverable under sections 542, 543, 550, or 553 of the Bankruptcy Code, or that are transferees of transfers avoidable under sections 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code or otherwise, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims or Equity Interests may not receive any Plan Distributions on account of such Claims or Equity Interests until such time as such Causes of Action against that Entity have been settled or a Final Order with respect thereto has been entered and all sums or property due, if any, to the Debtors from that Entity have been turned over or paid.

EXCEPT AS PROVIDED HEREIN OR OTHERWISE AGREED, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE APPLICABLE CLAIMS BAR DATE SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO, OR ACTION, ORDER, OR APPROVAL OF, THE BANKRUPTCY COURT, THE CANADIAN COURT, OR ANY OTHER ENTITY, AND HOLDERS OF SUCH CLAIMS MAY NOT RECEIVE ANY PLAN DISTRIBUTIONS ON ACCOUNT OF SUCH CLAIMS, UNLESS ON OR BEFORE THE CONFIRMATION HEARING SUCH LATE CLAIM HAS BEEN DEEMED TIMELY FILED BY A FINAL ORDER.

H. Amendments to Claims

On or after the later of the Effective Date or the applicable deadline set by the Bankruptcy Court, a Claim may not be Filed or amended without the prior authorization of the

Bankruptcy Court or New LightSquared, and any such new or amended Claim Filed shall be deemed disallowed in full and expunged without any further notice to, or action, order, or approval of, the Bankruptcy Court, the Canadian Court, or any other Entity.

ARTICLE VIII.
SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS

A. Discharge of Claims and Termination of Equity Interests

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, the Plan Distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors in accordance with Article III.B.17 and Article III.B.18 hereof), Equity Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Equity Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against, and Equity Interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims or Equity Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any liability to the extent such Claims or Equity Interests relate to services performed by current or former employees of the Debtors prior to the Effective Date and that arise from a termination of employment or a termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case, whether or not (1) a Proof of Claim or proof of Equity Interest based upon such debt, right, or Equity Interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code, (2) a Claim or Equity Interest based upon such debt, right, or Equity Interest is Allowed pursuant to section 502 of the Bankruptcy Code, or (3) the Holder of such a Claim or Equity Interest has accepted the Plan. Any default by the Debtors or their Affiliates with respect to any Claim or Equity Interest that existed immediately prior to or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Equity Interests subject to the occurrence of the Effective Date.

B. Subordinated Claims

The allowance, classification, and treatment of all Allowed Claims and Allowed Equity Interests and the respective Plan Distributions and treatments under the Plan shall give effect to the relative priority and rights of the Claims and Equity Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510 of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Plan Proponents, with the consent of each of the New Investors, reserve the right to reclassify any Allowed Claim or Equity Interest in accordance with any contractual, legal, or equitable subordination relating thereto. For the avoidance of doubt, the Prepetition Inc. Facility Lender Subordination

Agreement shall be enforceable as a subordination agreement under section 510(a) of the Bankruptcy Code.

C. Compromise and Settlement of Claims and Controversies

Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the Plan Distributions and other benefits provided pursuant to the Plan, the provisions of the Plan shall constitute a good faith compromise of all Claims, Equity Interests, Causes of Action, and controversies resolved pursuant to the Plan and relating to any contractual, legal, and subordination rights that a Holder of a Claim or Equity Interest may have with respect to any Allowed Claim or Equity Interest, or any Plan Distributions to be made on account of such an Allowed Claim or Equity Interest. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the compromise or settlement of all such Claims, Equity Interests, Causes of Action, and controversies, as well as a finding by the Bankruptcy Court that such compromise or settlement is in the best interests of the Debtors, their Estates, and Holders of Claims or Equity Interests and is fair, equitable, and reasonable. Plan Distributions made to Holders of Allowed Claims or Equity Interests are intended to be final. In accordance with the provisions of the Plan, pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019(a), without any further notice to or action, order, or approval of the Bankruptcy Court, the Canadian Court, or any other Entity, after the Effective Date, New LightSquared may compromise and settle Claims against, or Equity Interests in, the Debtors, and Causes of Action against other Entities; provided that, any settlement with respect to Claims against, or Equity Interests in, or any Causes of Action against any Reorganized Inc. Entity shall require the prior approval of Reorganized LightSquared Inc. In addition, and for the avoidance of doubt, entry of the Confirmation Order shall also operate to settle all claims and causes of action alleged against the Prepetition Inc. Agent and the Prepetition Inc. Lenders in the Standing Motion, and the Standing Motion shall be deemed withdrawn with prejudice upon the occurrence of the Inc. Facilities Claims Purchase Closing Date.

D. Releases by Debtors

Pursuant to section 1123(b) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan, for good and valuable consideration, including the service of the Released Parties to facilitate the expeditious reorganization of the Debtors and the implementation of the restructuring transactions contemplated by the Plan, on and after the Effective Date, the Released Parties are deemed released and discharged by the Debtors, the Reorganized Debtors, and the Estates from any and all claims, interests, obligations, rights, suits, damages, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims asserted on behalf of the Debtors or the Estates, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, whether for tort, contract, violations of federal or state securities laws, or otherwise, that the Debtors, the Reorganized Debtors, the Estates, or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Equity Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Chapter 11 Cases, the CCAA Proceeding, the prepetition or postpetition purchase, sale, or rescission of the purchase or sale of any debt or Security of the Debtors, the Prepetition Facilities, the

DIP Facilities, the Working Capital Facility, the Second Lien Exit Facility, the Exit Intercreditor Agreement, the New LightSquared Entities Shares, the Reorganized LightSquared Inc. Exit Facility, as applicable, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims or Equity Interests prior to or in the Chapter 11 Cases and/or the CCAA Proceeding, the negotiation, formulation, or preparation of the Plan and the Disclosure Statement, or related agreements (including the Plan Support Agreement), instruments, or other documents, any of the Debtors' regulatory efforts (including, without limitation, change of control applications) upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct (including fraud) or gross negligence. Notwithstanding anything contained herein to the contrary, the foregoing release does not release any obligations of any party under the Plan or any document, instrument, or agreement (including those set forth in the Working Capital Facility Credit Agreement, Second Lien Exit Credit Agreement, Reorganized LightSquared Inc. Credit Agreement, Exit Intercreditor Agreement, Reorganized Debtors Governance Documents, and the Plan Supplement) executed to implement the Plan.

E. Exculpation

Except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from, any claim, obligation, Cause of Action, or liability for any act taken or omitted to be taken in connection with, or related to, formulating, negotiating, preparing, disseminating, implementing, administering, confirming, or effecting the Confirmation or Consummation of the Plan, the Disclosure Statement, the Plan Documents, or any contract, instrument, release, or other agreement, or document created or entered into in connection with the Plan (including the Plan Support Agreement), any act taken or omitted to be taken in connection with, or related to, any of the Debtors' regulatory efforts (including, without limitation change of control applications), the negotiation of Cure Costs, the amendment, assumption, assumption and assignment, or rejection of Executory Contracts or Unexpired Leases, or any other prepetition or postpetition act taken or omitted to be taken in connection with, or in contemplation of, the restructuring of the Debtors, the approval of the Disclosure Statement, or Confirmation or Consummation of the Plan, except for (1) willful misconduct (including fraud) or gross negligence and/or (2) the rights of any Entity to enforce the Plan and the contracts, instruments, releases, indentures, and other agreements or documents delivered under, or in connection with, the Plan, or assumed pursuant to the Plan, or assumed pursuant to a Final Order, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties have, and upon Confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the distributions of the Securities pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law,

rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

F. Third-Party Releases by Holders of Claims or Equity Interests

Except as otherwise specifically provided in the Plan, on and after the Effective Date, to the fullest extent permissible under applicable law, (1) each Released Party, (2) each present and former Holder of a Claim or Equity Interest, and (3) each of the foregoing Entities' respective predecessors, successors and assigns, and current and former shareholders, affiliates, subsidiaries, members (including ex-officio members), officers, directors, principals, managers, trustees, employees, partners, attorneys, financial advisors, accountants, investment bankers, investment advisors, actuaries, professionals, consultants, agents, and representatives (in each case, in his, her, or its capacity as such) (each of the foregoing parties in (1), (2), and (3), a "Releasing Party") shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever released and discharged the Released Parties from any and all claims, interests, obligations, rights, suits, damages, Claims, Equity Interests, Causes of Action, remedies, and liabilities whatsoever, including any derivative claims asserted on behalf of a Debtor, whether known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity or otherwise, whether for tort, contract, violations of federal or state securities laws, or otherwise, that each Releasing Party would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, the Chapter 11 Cases, the CCAA Proceeding, the prepetition or postpetition purchase, sale, or rescission of the purchase or sale of any debt or Security of the Debtors, the Prepetition Facilities, the DIP Facilities, the Working Capital Facility, the Second Lien Exit Facility, the Exit Intercreditor Agreement, the New LightSquared Entities Shares, the Reorganized LightSquared Inc. Exit Facility, as applicable, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims or Equity Interests prior to or in the Chapter 11 Cases and/or the CCAA Proceeding, the negotiation, formulation, or preparation of the Plan and the Disclosure Statement, or related agreements, instruments, or other documents, any act taken or omitted to be taken in connection with, or related to, any of the Debtors' regulatory efforts (including, without limitation change of control applications), the negotiation of Cure Costs, the amendment, assumption, assumption and assignment, or rejection of Executory Contracts or Unexpired Leases, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes willful misconduct (including fraud) or gross negligence; provided, however, that each present and former Holder of a Claim or Equity Interest voting to reject the Plan may reject the third-party release provided in this Article VIII.F by checking the box on the applicable Ballot indicating that such Holder opts not to grant such third-party release.

Notwithstanding anything contained herein to the contrary, the third-party release herein does not release any obligations of any party under the Plan or any document, instrument, or agreement (including those set forth in the Working Capital Facility Credit

Agreement, Second Lien Exit Credit Agreement, Reorganized LightSquared Inc. Credit Agreement, Exit Intercreditor Agreement, Reorganized Debtors Governance Documents, and the Plan Supplement) executed to implement the Plan.

G. Injunctions

Except as otherwise expressly provided in the Plan, or for obligations issued pursuant to the Plan, all Entities who have held, hold, or may hold Claims or Equity Interests that have been released pursuant to Article VIII.D hereof or Article VIII.F hereof, discharged pursuant to Article VIII.A hereof, or are subject to exculpation pursuant to Article VIII.E hereof are permanently enjoined, from and after the Effective Date, from taking any of the following actions against the Debtors or the Reorganized Debtors: (1) commencing or continuing in any manner any action or other proceeding of any kind on account of, in connection with, or with respect to any such Claims or Equity Interests; (2) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of, in connection with, or with respect to any such Claims or Equity Interests; (3) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or estates of such Entities on account of, in connection with, or with respect to any such Claims or Equity Interests; (4) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property or Estates of such Entities on account of, in connection with, or with respect to any such Claims or Equity Interests unless such Holder has Filed a motion requesting the right to perform such setoff on or before the Confirmation Date, and notwithstanding an indication in a Proof of Claim or proof of Equity Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise; and (5) commencing or continuing in any manner any action or other proceeding of any kind on account of, in connection with, or with respect to any such Claims or Equity Interests released or settled pursuant to the Plan. Nothing in the Plan or Confirmation Order shall preclude any Entity from pursuing an action against one or more of the Debtors in a nominal capacity to recover insurance proceeds so long as the Debtors or Reorganized Debtors, as applicable, and any such Entity agree in writing that such Entity shall (1) waive all Claims against the Debtors, the Reorganized Debtors, and the Estates related to such action and (2) enforce any judgment on account of such Claim solely against applicable insurance proceeds, if any.

H. Release of Liens

Except as otherwise provided in the Plan, or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, (1) on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and (2) in the case of a Secured Claim, upon satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released, settled, discharged, and compromised and all rights, titles, and interests of any Holder of such mortgages, deeds of trust, Liens, pledge, or other security interests against any property of the Estates shall revert to the Reorganized Debtors and their successors and assigns. The Reorganized Debtors shall be authorized to file

any necessary or desirable documents to evidence such release in the name of such Holder of a Secured Claim.

ARTICLE IX.
CONDITIONS PRECEDENT TO CONFIRMATION DATE AND EFFECTIVE DATE
OF PLAN

A. Conditions Precedent to Confirmation Date

It shall be a condition to the Confirmation Date of the Plan that the following conditions shall have been satisfied (prior to, or in conjunction with, entry of the Confirmation Order) or waived (upon agreement of each of the New Investors and the Debtors) pursuant to the provisions of Article IX.C hereof:

1. Except as otherwise agreed by each of the New Investors, the FCC shall not have:
(a) denied any Material Regulatory Request in writing on material substantive grounds; (b) denied any Material Regulatory Request in writing on any other grounds without affording the applicant or petitioner an opportunity to submit a substantively similar request without prejudice; or (c) otherwise taken action so as to preclude a reasonable prospect of satisfying any FCC Objective.
2. The Bankruptcy Court shall have entered the Confirmation Order.
3. The Bankruptcy Court shall have entered the Disclosure Statement Order and the Canadian Court shall have entered the Disclosure Statement Recognition Order.
4. The New DIP Orders shall have been entered contemporaneously with the Confirmation Order.
5. The Plan Support Agreement shall be in full force and effect.
6. The Debtors shall have received (a) binding commitments with respect to the Effective Date Investments and (b) a highly confident letter with respect to the Working Capital Facility, in each case, on terms and conditions satisfactory to each of the New Investors and the Debtors.
7. The New Investor Break-Up Fee shall have been approved by the Bankruptcy Court.

B. Conditions Precedent to Effective Date

It shall be a condition to the Effective Date of the Plan that the following conditions shall have been satisfied or waived (upon agreement of each of the New Investors and the Debtors) pursuant to the provisions of Article IX.C hereof:

1. The Confirmation Order shall have become a Final Order.

2. The JPM Inc. Facilities Claims Purchase Agreement shall be in full force and effect and shall have been consummated.
3. The New DIP Orders (a) shall have been entered and (b) shall have become Final Orders.
4. The New DIP Recognition Order shall have become a Final Order.
5. The New DIP Facilities shall have been funded, and there shall not be any default under the New DIP Credit Agreements or the New DIP Orders with respect to which the New DIP Agents or New DIP Lenders are exercising any rights and remedies against the collateral under such New DIP Facilities.
6. The Plan Documents, to the extent applicable to the transactions to be consummated pursuant to the Confirmation Order, shall have been executed and delivered, and any conditions (other than the occurrence of the Effective Date or certification that the Effective Date has occurred) contained therein shall have been satisfied or waived in accordance therewith, including, but not limited to:
 - (a) the Working Capital Facility Credit Agreement and any related documents, in forms and substance satisfactory to New LightSquared, each of the New Investors, and the Debtors, shall have been executed and delivered by all of the Entities that are parties thereto, all conditions precedent to the consummation thereof shall have been waived or satisfied in accordance with the terms thereof, and the incurrence of obligations pursuant to the Working Capital Facility Credit Agreement shall have occurred;
 - (b) the Second Lien Exit Credit Agreement and any related documents, in forms and substance satisfactory to each of the New Investors and the Debtors, shall have been executed and delivered by all of the Entities that are parties thereto, all conditions precedent to the consummation thereof shall have been waived or satisfied in accordance with the terms thereof, and the incurrence of obligations pursuant to the Second Lien Exit Credit Agreement shall have occurred;
 - (c) the Reorganized LightSquared Inc. Exit Facility and any related documents, in forms and substance satisfactory to each of the New Investors and the Debtors, shall have been executed and delivered by all of the Entities that are parties thereto, and the incurrence of obligations pursuant to the Reorganized LightSquared Inc. Exit Facility shall have occurred;
 - (d) the New LightSquared Interest Holders Agreement, in form and substance satisfactory to each of the New Investors and the Debtors, shall have been executed and delivered by all of the Entities that are parties thereto, and all

conditions precedent to the consummation thereof shall have been waived or satisfied in accordance with the terms thereof; and

- (e) the Debtors shall have sufficient Cash on hand to fund the Professional Fee Reserve and the Disputed Claims and Equity Interests Reserve.
- 7. The Canadian Court shall have entered the Confirmation Recognition Order and such order shall have become a Final Order.
- 8. All necessary actions, documents, certificates, and agreements necessary to implement the Plan shall have been effected or executed and delivered to the required parties and, to the extent required, Filed with the applicable governmental units in accordance with applicable laws.
- 9. Except as otherwise agreed by each of the New Investors, the FCC shall not have:
(a) denied any Material Regulatory Request in writing on material substantive grounds; (b) denied any Material Regulatory Request in writing on any other grounds without affording the applicant or petitioner an opportunity to submit a substantively similar request without prejudice; or (c) otherwise taken action so as to preclude a reasonable prospect of satisfying any FCC Objective.
- 10. The FCC, Industry Canada, and other applicable governmental authorities shall have granted any necessary consents and approvals required for the Debtors to emerge from chapter 11 pursuant to the Plan (including, without limitation and to the extent applicable, consents to the assignment of the Debtors' licenses and/or the transfer of control of the Debtors, as well as customary approvals and authorizations related thereto) and any statutory waiting periods shall have expired (including under the *Hart-Scott-Rodino Antitrust Improvements Act of 1976* and the *Competition Act* (Canada)).
- 11. The Plan Support Agreement shall be in full force and effect.
- 12. The Debtors shall have paid in full in Cash all New Investor Fee Claims and LP Group Fee Claims.
- 13. The Harbinger Litigations shall have been assigned to New LightSquared.

C. Waiver of Conditions

The conditions to the Confirmation Date and/or the Effective Date of the Plan set forth in this Article IX may be waived by the agreement of each of the New Investors and the Debtors, without notice to, or action, order, or approval of, the Bankruptcy Court, the Canadian Court, or any other Entity.

ARTICLE X.
MODIFICATION, REVOCATION, OR WITHDRAWAL OF PLAN

A. Modification and Amendments

Except as otherwise specifically provided in the Plan, the Plan Proponents (in accordance with the Plan Support Agreement or, in the case of the Debtors, the terms of this Article X), reserve the right to modify the Plan as to material terms and seek Confirmation consistent with the Bankruptcy Code. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, and those restrictions on modifications set forth in the Plan and in the Plan Support Agreement, the Plan Proponents other than the Debtors (in accordance with the Plan Support Agreement), expressly reserve the right to alter, amend, or modify materially the Plan with respect to any Debtor, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court or Canadian Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, the Confirmation Order, or the Confirmation Recognition Order, in such matters as may be necessary to carry out the purposes and intent of the Plan. Any such modification or supplement shall be considered a modification of the Plan and shall be made in accordance with this Article X.A.

B. Effect of Confirmation on Modifications

Entry of a Confirmation Order or Confirmation Recognition Order shall mean that all modifications or amendments to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

C. Revocation or Withdrawal of Plan

The Plan Proponents, in accordance with the Plan Support Agreement (or, in the case of the Debtors, the terms of this Article X.C), reserve the right to revoke or withdraw the Plan prior to the Confirmation Date and to file subsequent chapter 11 plans. The Debtors reserve their right to withdraw support for the Plan at any time if it is determined that pursuing the Plan would be inconsistent with the exercise of their fiduciary duties; provided, however, that such withdrawal is without prejudice to the right of the other Plan Proponents to continue to seek confirmation and consummation of the Plan. If the Plan Proponents collectively revoke or withdraw the Plan, or if the Confirmation or Consummation does not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claims or Equity Interests or Class of Claims or Equity Interests), assumption, assumption and assignment, or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void in all respects; and (3) nothing contained in the Plan or the Disclosure Statement shall (a) constitute a waiver or release of any Claims or Equity Interests in any respect, (b) prejudice in any manner the rights of the Debtors or any other Entity in any respect, or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtors or any other Entity in any respect.

D. Validity of Certain Plan Transactions If Effective Date Does Not Occur

If, for any reason, the Plan is Confirmed, but the Effective Date does not occur, any and all post-Confirmation Date and pre-Effective Date Plan Transactions that were authorized by the Bankruptcy Court, whether as part of the New DIP Facilities, the purchases pursuant to the JPM Inc. Facilities Claims Purchase Agreement, the Plan, or otherwise, and any distributions made from proceeds of the New DIP Facilities, shall be deemed valid, in full force and effect, and not subject to revocation or reversal.

**ARTICLE XI.
RETENTION OF JURISDICTION**

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain jurisdiction over all matters arising out of, or relating to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

1. Allow, disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim or Equity Interest, including the resolution of any request for payment of any Administrative Claim, of any request for the payment or Plan Distribution on account of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code, and of any and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims or Equity Interests;
2. Decide and resolve all matters relating to the granting and denying, in whole or in part, of any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;
3. Resolve any matters relating to the following: (a) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Cure Costs pursuant to section 365 of the Bankruptcy Code; (b) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed, or assumed and assigned; (c) the Reorganized Debtors amending, modifying, or supplementing, after the Effective Date, pursuant to Article V hereof, any Executory Contracts or Unexpired Leases to the list of Executory Contracts and Unexpired Leases to be assumed, or assumed and assigned; and (d) any dispute regarding whether a contract or lease is or was executory or unexpired;
4. Ensure that Plan Distributions to Holders of Allowed Claims and Allowed Equity Interests are accomplished pursuant to the provisions of the Plan;

5. Adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;
6. Adjudicate, decide, or resolve any and all matters related to Causes of Action;
7. Adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;
8. Enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement;
9. To hear and determine any matters relating to, arising out of, or in connection with the implementation of the Working Capital Facility, the Second Lien Exit Facility, the Reorganized LightSquared Inc. Exit Facility, the Exit Intercreditor Agreement, the Reorganized Debtors Governance Documents, or any ancillary or related agreements thereto;
10. Resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the Consummation, interpretation, or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;
11. Issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with the Consummation or enforcement of the Plan, including the releases set forth therein;
12. Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, injunctions, and other provisions contained in Article VIII hereof and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;
13. Hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date;
14. Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of Plan Distributions and the recovery of additional amounts owed by the Holder of a Claim or Equity Interest for amounts not timely repaid pursuant to Article VI.J hereof;
15. Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

16. Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;
17. Enter an order or final decree concluding or closing the Chapter 11 Cases;
18. Adjudicate any and all disputes arising from or relating to Plan Distributions under the Plan or any transactions contemplated therein;
19. Adjudicate any and all disputes arising from or relating to the JPM Inc. Facilities Claims Purchase Agreement.
20. Consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;
21. Hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;
22. Enforce all orders previously entered by the Bankruptcy Court; and
23. Hear any other matter not inconsistent with the Bankruptcy Code.

ARTICLE XII. MISCELLANEOUS PROVISIONS

A. *Immediate Binding Effect*

Subject to Article IX.B hereof, and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan, the Plan Supplement, the Confirmation Order, and the Confirmation Recognition Order shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims or Equity Interests (irrespective of whether such Claims or Equity Interests are deemed to have accepted the Plan), all Entities that are parties, or are subject, to the settlements, compromises, releases, discharges, and injunctions described in the Plan, each Entity acquiring or receiving property under the Plan, and any and all non-Debtor parties to Executory Contracts or Unexpired Leases with the Debtors. All Claims and debts shall be as fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any Holder of a Claim or debt has voted on the Plan.

B. *Additional Documents*

On or before the Effective Date, the Plan Proponents may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Debtors, the New Investors or the Reorganized Debtors, as applicable, and all Holders of Claims or Equity Interests receiving Plan Distributions pursuant to the Plan and all other parties in interest shall, from time to time,

prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or appropriate to effectuate the provisions and intent of the Plan.

C. Reservation of Rights

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court shall have entered the Confirmation Order. None of the Filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor, any Plan Proponent, or any Plan Support Party with respect to the Plan or the Disclosure Statement, shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the Holders of Claims or Equity Interests prior to the Effective Date.

D. Successors and Assigns

Except as expressly set forth in the Plan, the rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, affiliate, officer, director, agent, representative, attorney, beneficiary, or guardian, if any, of each Entity.

E. Service of Documents

After the Effective Date, any pleading, notice, or other document required by the Plan to be served on or delivered to:

the Debtors or the Reorganized Debtors, shall be served on:

LightSquared Inc.
Attn: General Counsel
10802 Parkridge Boulevard
Reston, VA 20191

Milbank, Tweed, Hadley & McCloy LLP
Matthew S. Barr
Steven Z. Szanzer
Karen Gartenberg
One Chase Manhattan Plaza
New York, NY 10005

the Special Committee, shall be served on:

Kirkland & Ellis LLP
Paul M. Basta
Joshua A. Sussberg
601 Lexington Avenue
New York, NY 10022

Fortress, shall be served on:

Fortress Credit Opportunities Advisors
LLC
1345 Avenue of the Americas
New York, NY 10105

Stroock & Stroock & Lavan LLP
Kristopher M. Hansen
Frank A. Merola
Jayme T. Goldstein

180 Maiden Lane
New York, NY 10038

JPM Investment Parties, shall be served on:

JPMorgan Chase & Co.
Patrick Daniello
383 Madison Ave.
New York, NY 10179

Simpson Thacher & Bartlett LLP
Sandeep Qusba
Elisha D. Graff
425 Lexington Avenue
New York, NY 10017

Harbinger, shall be served on:

Kasowitz, Benson, Torres & Friedman LLP
David M. Friedman
Adam L. Shiff
1633 Broadway
New York, NY 10019

Centerbridge, shall be served on:

Centerbridge Partners, L.P.
Vivek Melwani
Jared Hendricks
375 Park Avenue, 12th Floor
New York, NY 10152

Fried, Frank, Harris, Shriver & Jacobson LLP
Brad Eric Scheler
Peter B. Siroka
Aaron S. Rothman
One New York Plaza
New York, NY 10004

After the Effective Date, the Reorganized Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed a renewed request to receive documents pursuant to Bankruptcy Rule 2002.

F. Term of Injunctions or Stays

Unless otherwise provided in the Plan, the Confirmation Order, or the Confirmation Recognition Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court or the Canadian Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan, the Confirmation Order, or the Confirmation Recognition Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan, the Confirmation Order, or the Confirmation Recognition Order shall remain in full force and effect in accordance with their terms.

G. Plan Supplement

All exhibits and documents included in the Plan Supplement are incorporated into, and are a part of, the Plan as if set forth in full in the Plan, and any reference to the Plan shall mean the Plan and the Plan Supplement. Upon its Filing, the Plan Supplement may be inspected in the office of the clerk of the Bankruptcy Court or its designee during normal business hours, at the Bankruptcy Court's website at www.nysb.uscourts.gov, and at the website of the Claims and Solicitation Agent at <http://www.kccllc.net/lightsquared>. The documents contained in the Plan Supplement are an integral part of the Plan and shall be deemed approved by the Bankruptcy Court pursuant to the Confirmation Order.

H. Entire Agreement

Except as otherwise indicated, the Plan and the Plan Supplement (which, for the avoidance of doubt, shall not include the New DIP Order) supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

I. Non-severability of Plan Provisions

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall be deemed to provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is (1) valid and enforceable pursuant to its terms, (2) integral to the Plan and may not be deleted or modified without the Debtors' and the New Investors' consent, and (3) non-severable and mutually dependent.

J. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Plan Proponents shall be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors and each of their respective Affiliates, subsidiaries, members, principals, shareholders, officers, directors, employees, representatives, agents, financial advisors, attorneys, accountants, investment bankers, consultants, and other professionals shall be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan, and, therefore, shall have no liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan.

K. Waiver or Estoppel

Each Holder of a Claim or an Equity Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Equity Interest should be Allowed in a certain amount, in a certain priority, Secured, or not subordinated by virtue of an agreement made with the Debtors or their counsel or any other Entity, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers Filed with the Bankruptcy Court prior to the Confirmation Date.

L. Conflicts

Except as set forth in the Plan, to the extent that any provision of the Disclosure Statement, the Plan Supplement, or any other order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflicts with or is in any way inconsistent with any provision of the Plan, unless otherwise ordered by the Bankruptcy Court, the non-exhibit or non-document portion of the Plan shall govern and control.

New York, New York
Dated: December 18, 2014

**LIGHTSQUARED INC., LIGHTSQUARED LP,
AND THE OTHER DEBTORS IN THE
CHAPTER 11 CASES**

/s/ Douglas Smith
Douglas Smith
Chief Executive Officer, President, and
Chairman of the Board of LightSquared Inc.

New York, New York
Dated: December 18, 2014

**CENTERBRIDGE PARTNERS, L.P., ON
BEHALF OF CERTAIN OF ITS AFFILIATED
FUNDS**

By: /s/ Jared S. Hendricks
Name: Jared S. Hendricks
Title: Authorized Signatory

New York, New York
Dated: December 18, 2014

**FORTRESS CREDIT OPPORTUNITIES
ADVISORS LLC**

By: /s/ James K. Noble III
Name: James K. Noble III
Title: Secretary

New York, New York
Dated: December 18, 2014

HARBINGER CAPITAL PARTNERS LLC

By: /s/ Philip A. Falcone
Name: Philip A. Falcone
Title: Chief Executive Officer

HGW HOLDING COMPANY, L.P.

By: /s/ Philip A. Falcone
Name: Philip A. Falcone
Title: Chief Executive Officer

BLUE LINE DZM CORP.

By: /s/ Keith M. Hladek
Name: Keith M. Hladek
Title: Authorized Signatory

HCP SP INC.

By: /s/ Philip A. Falcone
Name: Philip A. Falcone
Title: President

Exhibit B

Projections

[TO BE FILED IN ADVANCE OF DISCLOSURE STATEMENT HEARING]

Exhibit C

Liquidation Analysis/Comparison

[TO BE FILED IN ADVANCE OF DISCLOSURE STATEMENT HEARING]