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David M. Friedman (DFriedman@kasowitz.com)
Adam L. Shiff (AShiff@kasowitz.com)
Daniel A. Fliman (DFliman@kasowitz.com)
Matthew B. Stein (MStein@kasowitz.com)
KASOWITZ, BENSON, TORRES
& FRIEDMAN LLP
1633 Broadway
New York, New York 10019
Telephone: (212) 506-1700
Facsimile: (212) 506-1800

Attorneys for HGW US Holding Company, L.P., Blue Line DZM Corp., and Harbinger Capital Partners SP, Inc.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

NOTICE OF FILING OF (I) SECOND AMENDED JOINT PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE PROPOSED BY HARBINGER CAPITAL PARTNERS, LLC AND (II) SPECIFIC DISCLOSURE STATEMENT FOR THE SECOND AMENDED JOINT PLAN OF REORGANIZATION FOR LIGHTSQUARED INC. AND ITS SUBSIDIARIES PROPOSED BY HARBINGER CAPITAL PARTNERS, LLC

PLEASE TAKE NOTICE that (1) on October 7, 2013, Harbinger Capital Partners, LLC ("Harbinger") filed the *Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code Proposed by Harbinger Capital Partners, LLC* [Docket No. 912, Ex. 1] (the

[1] The debtors ("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.

"Amended Harbinger Plan") and (2) on October 9, 2013, Harbinger filed the *First Amended Specific Disclosure Statement for the Amended Joint Plan of Reorganization for Lightsquared Inc. and its Subsidiaries Proposed by Harbinger Capital Partners, LLC* [Docket No. 935, Ex. 1] (the "Amended Harbinger Plan Disclosure Statement").

PLEASE TAKE FURTHER NOTICE that attached hereto as:

(1) **Exhibit 1** is a *Second Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code Proposed by Harbinger Capital Partners, LLC* (the "Second Amended Harbinger Plan");

(2) **Exhibit 2** is a *Specific Disclosure Statement for the Second Amended Joint Plan of Reorganization for Lightsquared Inc. and its Subsidiaries Proposed by Harbinger Capital Partners, LLC* (the "Second Amended Harbinger Plan Disclosure Statement") without exhibits;[2]

(3) **Exhibit 3** is a redline markup comparing the Second Amended Harbinger Plan to the Amended Harbinger Plan and

(4) **Exhibit 4** is a redline markup comparing the Second Amended Harbinger Plan Disclosure Statement to the Amended Harbinger Plan Disclosure Statement.

Dated: December 11, 2013
New York, New York

By: /s/ David M. Friedman
David M. Friedman
Adam L. Shiff
Daniel A. Fliman
Matthew B. Stein
KASOWITZ, BENSON, TORRES
& FRIEDMAN LLP
1633 Broadway
New York, New York 10019
Telephone: (212) 506-1700
Facsimile: (212) 506-1800

Attorneys for HGW US Holding Company, L.P., Blue Line DZM Corp., and Harbinger Capital Partners SP, Inc.

[2] **Exhibit A** is the Second Amended Harbinger Plan, filed as **Exhibit 1** hereto. **Exhibits B – E** are unchanged from the Amended Harbinger Plan Disclosure Statement and, therefore, are not reattached.

David M. Friedman (DFriedman@kasowitz.com)
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EXHIBIT 2

THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF A CHAPTER 11 PLAN. THIS DISCLOSURE STATEMENT IS SUBMITTED FOR APPROVAL BUT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT. SOLICITATION OF ACCEPTANCES OR REJECTIONS MAY NOT OCCUR UNTIL THE BANKRUPTCY COURT APPROVES THE DISCLOSURE STATEMENT.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

SPECIFIC DISCLOSURE STATEMENT FOR THE SECOND AMENDED JOINT PLAN OF REORGANIZATION FOR LIGHTSQUARED INC. AND ITS SUBSIDIARIES PROPOSED BY HARBINGER CAPITAL PARTNERS, LLC

KASOWITZ, BENSON, TORRES & FRIEDMAN LLP
David M. Friedman
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Matthew B. Stein
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I.

INTRODUCTION[2]

THE INFORMATION CONTAINED IN THIS SPECIFIC DISCLOSURE STATEMENT ("HARBINGER SPECIFIC DISCLOSURE STATEMENT") FOR THE SECOND AMENDED JOINT PLAN OF REORGANIZATION FOR LIGHTSQUARED INC. AND ITS SUBSIDIARIES ("HARBINGER PLAN") PROPOSED BY HARBINGER CAPITAL PARTNERS, LLC ("HARBINGER" OR "PLAN PROPONENT") IS INCLUDED HEREIN FOR PURPORSES OF SOLICITING ACCEPTANCES OF THE HARBINGER PLAN, AS MAY BE MODIFIED, AMENDED, AND/OR SUPPLEMENTED FROM TIME TO TIME AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE HARBINGER PLAN. NO SOLICITATION OF VOTES TO ACCEPT THE HARBINGER PLAN MAY BE MADE EXCEPT PURSUANT TO SECTION 1125 OF TITLE 11 OF THE UNITED STATES CODE ("BANKRUPTCY CODE"). CERTAIN LANGUAGE OR SECTIONS CONTAINED IN THIS HARBINGER SPECIFIC DISCLOSURE STATEMENT REFLECT ONLY THE UNDERSTANDINGS OR OPINIONS OF HARBINGER.

ALL CREDITORS AND INTEREST HOLDERS ENTITLED TO VOTE ON THE HARBINGER PLAN ARE ADVISED AND ENCOURAGED TO READ THE FIRST AMENDED GENERAL DISCLOSURE STATEMENT, DATED OCTOBER 7, 2013 FILED BY THE DEBTORS [DKT. NO. 918] ("GENERAL DISCLOSURE STATEMENT" AND TOGETHER WITH THE HARBINGER SPECIFIC DISCLOSURE STATEMENT, "JOINT DISCLOSURE STATEMENT"), THE HARBINGER SPECIFIC DISCLOSURE STATEMENT, AND THE HARBINGER PLAN **IN THEIR ENTIRETY** BEFORE VOTING TO ACCEPT OR REJECT THE HARBINGER PLAN OR ANY OTHER PLAN FILED IN THESE CASES (COLLECTIVELY, "COMPETING PLANS"). ALL CREDITORS AND EQUITY INTEREST HOLDERS ENTITLED TO VOTE ON THE HARBINGER PLAN SHOULD CAREFULLY READ AND CONSIDER FULLY THE RISK FACTORS SET FORTH IN ARTICLE V OF THE GENERAL DISCLOSURE STATEMENT AND ARTICLE V OF THE HARBINGER SPECIFIC DISCLOSURE STATEMENT BEFORE VOTING TO ACCEPT OR REJECT THE HARBINGER PLAN OR ANY COMPETING PLAN. A COPY OF THE HARBINGER PLAN IS ATTACHED HERETO AS EXHIBIT A. SUMMARIES AND STATEMENTS IN THE HARBINGER SPECIFIC DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE HARBINGER PLAN AND THE EXHIBITS ANNEXED TO THE HARBINGER PLAN. THE STATEMENTS CONTAINED IN THE HARBINGER SPECIFIC DISCLOSURE STATEMENT 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 THE DATE HEREOF. IN THE EVENT OF ANY CONFLICT BETWEEN THE DESCRIPTIONS SET FORTH IN THE GENERAL DISCLOSURE STATEMENT, THE HARBINGER

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[2] Terms not otherwise defined herein shall have the meanings ascribed to such terms in the Harbinger Plan.

SPECIFIC DISCLOSURE STATEMENT AND THE TERMS OF THE HARBINGER PLAN, THE TERMS OF THE HARBINGER PLAN WILL GOVERN.

THE HARBINGER SPECIFIC 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 NECESSARILY IN ACCORDANCE WITH NON-BANKRUPTCY LAW.

CERTAIN STATEMENTS CONTAINED IN THE HARBINGER SPECIFIC DISCLOSURE STATEMENT ARE BASED, AT LEAST IN PART, ON ESTIMATES AND ASSUMPTIONS OBTAINED DIRECTLY FROM THE DEBTORS, AS SET FORTH IN THE GENERAL DISCLOSURE STATEMENT. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE REFLECTIVE OF ACTUAL OUTCOMES. FORWARD-LOOKING STATEMENTS ARE PROVIDED IN OR ADOPTED BY THE HARBINGER SPECIFIC DISCLOSURE STATEMENT PURSUANT TO THE SAFE HARBOR ESTABLISHED UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND SHOULD BE EVALUATED IN THE CONTEXT OF THE ESTIMATES, ASSUMPTIONS, UNCERTAINTIES, AND RISKS DESCRIBED HEREIN AND IN THE GENERAL DISCLOSURE STATEMENT.

FURTHER, YOU ARE CAUTIONED THAT ANY FORWARD-LOOKING STATEMENTS HEREIN ARE BASED ON ASSUMPTIONS THAT ARE BELIEVED TO BE REASONABLE, BUT ARE SUBJECT TO A WIDE RANGE OF RISKS INCLUDING, BUT NOT LIMITED TO, RISKS ASSOCIATED WITH (I) FUTURE FINANCIAL RESULTS AND LIQUIDITY, INCLUDING THE ABILITY TO FINANCE OPERATIONS IN THE NORMAL COURSE, (II) VARIOUS FACTORS THAT MAY AFFECT THE VALUE OF THE DEBT AND EQUITY RETAINED AND/OR ISSUED UNDER THE HARBINGER PLAN, (III) THE RELATIONSHIPS WITH AND PAYMENT TERMS PROVIDED BY TRADE CREDITORS, (IV) ADDITIONAL FINANCING REQUIREMENTS POST-RESTRUCTURING, (V) FUTURE DISPOSITIONS AND ACQUISITIONS, (VI) THE EFFECT OF COMPETITIVE PRODUCTS, SERVICES OR PRICING BY COMPETITORS, (VII) THE PROPOSED RESTRUCTURING COSTS AND COSTS ASSOCIATED THEREWITH, (VIII) THE ABILITY TO OBTAIN RELIEF FROM THE BANKRUPTCY COURT TO FACILITATE THE SMOOTH OPERATION UNDER CHAPTER 11, (IX) THE CONFIRMATION AND CONSUMMATION OF THE HARBINGER PLAN, AND (X) EACH OF THE OTHER RISKS IDENTIFIED HEREIN AND IN THE GENERAL DISCLOSURE STATEMENT. DUE TO THESE UNCERTAINTIES, YOU CANNOT BE ASSURED THAT ANY FORWARD-LOOKING STATEMENTS WILL PROVE TO BE CORRECT. THE PLAN PROPONENT IS UNDER NO OBLIGATION TO (AND EXPRESSLY DISCLAIMS ANY OBLIGATION TO) UPDATE OR ALTER ANY FORWARD-LOOKING STATEMENTS WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE, UNLESS INSTRUCTED TO DO SO BY THE BANKRUPTCY COURT.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER ACTIONS OR THREATENED ACTIONS, THE HARBINGER SPECIFIC DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A

STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THE HARBINGER SPECIFIC DISCLOSURE STATEMENT WILL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE DEBTORS, THE PLAN PROPONENT OR ANY OTHER PARTY, NOR WILL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, OR OTHER LEGAL EFFECTS OF THE HARBINGER PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, THE DEBTORS IN THESE CHAPTER 11 CASES.

THE STATEMENTS CONTAINED IN THE HARBINGER SPECIFIC DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN AND THE DELIVERY OF THE HARBINGER SPECIFIC DISCLOSURE STATEMENT SHALL NOT CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION STATED SINCE THE DATE HEREOF. CREDITORS AND EQUITY INTEREST HOLDERS ENTITLED TO VOTE ON THE HARBINGER PLAN SHOULD CAREFULLY READ THE GENERAL DISCLOSURE STATEMENT AND THE HARBINGER SPECIFIC DISCLOSURE STATEMENT IN THEIR ENTIRETY, INCLUDING THE HARBINGER PLAN, PRIOR TO VOTING ON THE HARBINGER PLAN OR ANY OF THE COMPETING PLANS.

SUMMARIES OF CERTAIN PROVISIONS OF AGREEMENTS REFERRED TO IN THE HARBINGER SPECIFIC DISCLOSURE STATEMENT DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO, AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO, THE FULL TEXT OF THE APPLICABLE AGREEMENT, INCLUDING THE DEFINITIONS OF TERMS CONTAINED IN SUCH AGREEMENT.

THE PLAN PROPONENT BELIEVES THAT THE HARBINGER PLAN IS FAIR AND EQUITABLE, WILL MAXIMIZE THE RECOVERY FOR THE DEBTORS' CREDITORS AND INTEREST HOLDERS, ENABLE THE DEBTORS TO REORGANIZE SUCCESSFULLY AND EMERGE ON A QUICKER TIMETABLE THAN ANY ALTERNATIVE PLANS, AND ACCOMPLISH THE OBJECTIVES OF CHAPTER 11, AND THAT ACCEPTANCE OF THE HARBINGER PLAN IS IN THE BEST INTERESTS OF THE DEBTORS, THEIR CREDITORS, AND THEIR EQUITY INTEREST HOLDERS.

THE PLAN PROPONENT URGES ALL CREDITORS AND INTEREST HOLDERS TO ACCEPT THE HARBINGER PLAN. THE PLAN PROPONENT BELIEVES THAT THE HARBINGER PLAN PROVIDES THE HIGHEST AND BEST RECOVERY FOR THE DEBTORS' CREDITORS AND EQUITY INTEREST HOLDERS ON A QUICKER TIMETABLE THAN ANY ALTERNATIVE PLAN.

IRS CIRCULAR 230 NOTICE: TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, HOLDERS OF CLAIMS AND INTERESTS ARE HEREBY NOTIFIED THAT, (A) ANY DISCUSSION OF FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THE HARBINGER SPECIFIC DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY HOLDERS OF CLAIMS OR EQUITY INTERESTS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE

TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

II.

SUMMARY OF THE HARBINGER PLAN

A. Introduction.

The following summary is a general overview only, which is qualified in its entirety by, and should be read in conjunction with, the more detailed discussions, information, and financial statements and notes thereto appearing elsewhere in the Harbinger Specific Disclosure Statement, the General Disclosure Statement and the Harbinger Plan. Harbinger is the proponent of the plan within the meaning of Section 1129 of the Bankruptcy Code. The Plan Proponent reserves the right to modify the Harbinger Plan consistent with Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019.

Certain parties previously requested that Harbinger include in the *First Amended Specific Disclosure Statement For The First Amended Joint Plan Of Reorganization For LightSquared Inc. And Its Subsidiaries Proposed By Harbinger Capital Partners, LLC* [Dkt. No. 935, Ex. 1] ("Amended Harbinger Plan Disclosure Statement") statements that reflect their particular views of the *Amended Joint Plan Of Reorganization Pursuant To Chapter 11 Of The Bankruptcy Code Proposed By Harbinger Capital Partners, LLC* [Dkt. No. 912, Ex. 1] ("Amended Harbinger Plan") and the Amended Harbinger Plan Disclosure Statement. Harbinger disagrees with those statements and/or believes they are unnecessary for purposes of disclosure, but to the extent those statements remain applicable to the Harbinger Plan, Harbinger has included them in the rider attached hereto as Exhibit B.

Based upon (i) recent developments in the Ergen Adversary(as defined below), including the Bankruptcy Court's statement during the hearing on December 10, 2013 that "the best thing to do with respect to equitable subordination is have it be reflected in a plan of reorganization"[3], and (ii) recent discussions with Melody Capital Advisors, LLC and other potential lenders, Harbinger has decided to amend the Amended Harbinger Plan. The amendments accomplish two main goals. First, the Harbinger Plan provides for the potential to equitably subordinate the Ergen Parties, conditioned upon an order granting such relief and consent of the requisite Exit Facility Lenders. Second, the Harbinger Plan provides for the possibility that Harbinger could obtain up to an additional $1.45 billion in exit financing, upon consent of the requisite Exit Facility Lenders. The additional financing would allow the Harbinger Plan to provide for the distribution to Holders of Class 2A Claims of additional Cash in place of New First Lien Facility Notes. Both of these features provide creditors a significant improvement compared with the Amended Harbinger Plan.

[3] 12/10/2013 Hr'g Tr. 147:22-24.

B. Overview.

1. Corporate Structure.

The Harbinger Plan described herein constitutes a separate plan of reorganization for each of the Debtors. The Harbinger Plan provides that, on the Effective Date, all Holders of Claims and Equity Interests will be paid substantially in full through the distribution of cash, new secured notes issued by LightSquared Inc. and LightSquared LP, new unsecured notes issued by LightSquared Inc. and common shares of Lightsquared Inc. Indeed, the Harbinger Plan is the *only* plan proposed by any party that pays all general unsecured creditors the full principal amount of their Allowed Claims in Cash.

The Harbinger Plan further provides that (1) the Debtors will continue to exist after the Effective Date as separate entities, in accordance with applicable law, and will maintain their pre-petition organizational structure, (2) Existing Inc. Equity Interests will continue to exist after the Effective Date, with current Holders of Equity Interest retaining such interests and (3) upon the Effective Date, the Reorganized Debtors will issue additional shares of Inc. Common Stock and will issue New Warrants to their Exit Facility Lenders (as discussed below). As a result, immediately following the Effective Date, Inc. Common Stock will be held (i) approximately 90% by current Holders of Existing Inc. Common Stock Equity Interests, (ii) approximately 6.1% by Harbinger on account of its capital contribution through the conversion of $159 million of Allowed Prepetition Inc. Facility Claims into equity and (iii) approximately 3.9% by parties participating in the $100 million rights offering made available to Holders of Existing Inc. Common Stock Equity Interests and fully backstopped by Harbinger, all subject to dilution for the New Warrants and a management incentive plan to be disclosed in the Plan Supplement (the "Management Incentive Plan"). The board of directors of New LightSquared Inc. shall consist of seven (7) directors: (a) three (3) directors appointed by the Plan Proponent in its sole and absolute discretion; (b) three (3) directors appointed by the Plan Proponent who (i) shall be independent as contemplated by New York Stock Exchange rules, and (ii) shall not be officers, directors, employees or affiliates of the Plan Proponent; and (c) the Chief Executive Officer of the Reorganized Debtors.

The Harbinger Plan, in its base case, is premised upon an enterprise value for the Reorganized Debtors of $5.654 billion, which assumes that the FCC clears for use for nationwide terrestrial broadband services 25MHz of spectrum prior to the Effective Date and another 10MHz of spectrum thereafter. That value is derived by taking the total of $6.538 billion total spectrum value (at $0.75 / MHzPOP (discounted to present value where applicable)), plus $428 million satellite value, minus $1.162 billion net present value of spectrum leases, minus $150 million for the purchase option on 5MHz of spectrum assets currently leased by the Inc. Debtors. This enterprise value (of $5.654 billion) when (x) reduced by $2.183 billion for the New First Lien Facility Notes, $550 million for the Exit Facility and $573 million for the New Inc. Subordinated Facility Notes and then (y) increased by $239 million Cash on hand, results in an equity value of $2.587 billion. The foregoing enterprise and equity values, however, are substantially higher when the proceeds of certain pending and/or contemplated Debtor causes of actions, which are described in Article II.B.4 below, are added. The Plan Proponent believes that the value of such claims will exceed $7 billion.

2. Implementation of the Harbinger Plan.

(a) Committed Exit Facility and Postpetition Liquidity Through the Effective Date.

On the Effective Date of the Harbinger Plan, LightSquared Inc. and certain of its subsidiaries, as borrowers, and other Debtors, as guarantors, shall become party to, and be bound by the terms of, the Exit Facility in an amount of at least $550 million. This amount is sufficient, along with the other sources of consideration for plan distributions, to satisfy all obligations under the Harbinger Plan due on the Effective Date, including, without limitation, the payment in full in Cash of all Administrative Claims, the DIP Facility Claim (to the extent outstanding) and the Allowed Prepetition Inc. Facility Claims (except those held by Harbinger) as well as funding of a 6 month interest reserve for the New First Lien Facility Notes.

Harbinger has reached agreement with Melody Capital Advisors, LLC (as the Exit Facility Lead Arranger) and the Exit Facility Lenders on terms and conditions of the Exit Facility as reflected in a commitment letter dated October 1, 2013. The material terms of the Exit Facility are as follows:

- The Exit Facility Lenders have committed to fund the Exit Facility on the Effective Date, in an amount of at least $550 million, maturing on the fifth anniversary of its funding. (*See* Article V.B below for further discussion of the conditions to such funding.) Attached hereto as Exhibit C is a term sheet with the terms of the Exit Facility. The amount of the Exit Facility may be increased above $550 million if additional lending commitments are provided and accepted by the Plan Proponent prior to the Effective Date.

    - The Exit Facility shall bear interest at a rate per annum equal to the Eurodollar Rate plus (i) 9.50% during the first year of the loan, (ii) 10.50% during the second year of the loan and (iii) 11.50% at all times thereafter. Interest during the first three years of the loan may be paid-in-kind, absent any event of default.

    - The Exit Facility shall be secured by Liens on substantially all of the assets of the Exit Facility Obligors *pari passu* with the Liens securing the New First Lien Facility Notes and senior to all other Liens.

- The Exit Facility Lenders have agreed that, prior to the Effective Date, Harbinger may make available to the Debtors, subject to Bankruptcy Court approval and certain other limited conditions, $190 million of the Exit Facility as replacement debtor-in-possession financing (the "New DIP Facility"). Attached hereto as Exhibit D is a term sheet containing the terms of the New DIP Facility. The Plan Proponent believes that the additional financing made available through the New DIP Facility is imperative because as a result of, among other things, the regulatory issues discussed below, the Debtors will

need additional post-petition funding irrespective of which plan is ultimately confirmed.[4]

- The New DIP Facility would be used to satisfy in full the DIP Facility Claims and to provide the Debtors with the funds necessary to continue their operations without disruption through June 30, 2014.

- The New DIP Facility would accrue interest at an annual rate equal to LIBOR (with a floor of 2.00%) plus 14.00%, which interest shall be payable-in-kind absent any event of default.

- The New DIP Facility would be (i) secured by Liens on the assets of the Inc. Debtors, junior to any existing Liens, but senior to Liens held by Harbinger to secure its Prepetition Inc. Facility Claims and (ii) entitled to administrative priority status in the Debtors' Chapter 11 Cases, provided that such Administrative Claims as against the LP Debtors shall be limited to the proceeds received by the LP Debtors from such financing.

- The New DIP Facility would be converted into a portion of the Exit Facility upon the Effective Date.

- In connection with the Exit Facility, Harbinger provided to the Exit Facility Lead Arranger and to the DIP and Exit Facility Lenders certain commitment fees in the form of cash payments and contractual obligations to issue interests in Inc. Common Stock. If all conditions precedent are met, it is possible that prior to the Effective Date Harbinger will issue options for at least 15.714% of the fully-diluted Inc. Common Stock. Subject to the consent rights set forth in the Harbinger Plan, the DIP and Exit Facility Lenders will be obligated to support the Harbinger Plan. On the Effective Date, all such options would be cancelled and terminated and New Warrants for at least 15.714% of the fully-diluted Inc. Common Stock would be issued to the DIP and Exit Facility Lenders (to the extent not previously received by the DIP and Exit Facility Lenders). The New Warrants, when issued, will entitle holders thereof to acquire fully diluted Inc. Common Stock, will be fully vested and immediately exercisable upon the Effective Date at an exercise price of $0.01 per share, will provide for the option of cashless exercise and will be subject to full ratchet anti-dilution protection.

Harbinger intends to use its best efforts to obtain confirmation and consummation of its plan by December 31, 2013. Harbinger believes that only the Harbinger Plan is capable of consummation within this timeframe because the FCC review of the Harbinger Plan will be quicker than its review of the other plans which all require a sale of the Debtors' spectrum assets to a new operator. (*See* Article VII.B.1.(b) below). Nonetheless, factors beyond any party's control -- including the requirement of FCC approval incident to the Harbinger Plan and all other

[4] The foregoing agreement by the Exit Facility Lenders required the Debtors to file a motion seeking approval of such replacement debtor-in-possession financing no later than December 1, 2013; however, Harbinger and the Exit Facility Lenders are discussing an extension of that and other related deadlines.

plans[5] -- dictate that the Debtors retain the necessary liquidity to achieve regulatory relief and the anticipated benefits that will deliver enormous incremental value to the Debtors' estates. Harbinger believes that it would be unfortunate and imprudent for the Debtors' estates not to have financing available to continue operations through the first half of 2014. Harbinger is aware of no other proposal for such necessary liquidity other than that offered by the Exit Facility Lender, let alone a proposal which funds the Debtors on terms that do not subordinate existing secured creditors. This highly unusual and beneficial arms-length financing, in Harbinger's view, strongly validates the robust solvency of the Debtors and their enormous economic potential.

(b) Other Financial Terms.

a. On the Effective Date, LightSquared LP, as borrower, shall become a party to, and be bound by the terms of, the New First Lien Facility Credit Agreement in the amount of $2.183 billion (subject to decrease upon the disallowance of Claims held by the Ergen Parties as discussed in Article VII.B.1.(g) hereof), maturing three years from the Effective Date (*i.e.*, two years prior to the maturity of the Exit Facility). The New First Lien Facility Notes shall bear interest at (i) 9% per annum payable in kind during the first year, (ii) 10% per annum payable in kind or 8% per annum payable in cash during the second year, and (iii) 11% per annum payable in kind or 9% per annum payable in cash during the third year. The obligations under the New First Lien Facility shall be secured by Liens on substantially all of the assets of the New First Lien Facility Obligors *pari passu* with the Liens securing the Exit Facility and senior to all other Liens. The New First Lien Facility Notes will be distributed to the holders of Allowed Claims under LightSquared LP's prepetition term loan facility in full satisfaction of those claims.

b. On the Effective Date, LightSquared Inc., as borrower, shall become a party to, and be bound by the terms of, the New Inc. Subordinated Facility Credit Agreement in the amount of $573 million (subject to decrease upon the disallowance of Equity Interests held by the Ergen Parties). The New Inc. Subordinated Facility Notes shall bear interest at a rate of 14% payable in kind and mature on the sixth anniversary of the Effective Date. The New Inc. Subordinated Facility Notes shall be unsecured and used to satisfy in full the Allowed Equity Interests held by all Holders of the Debtors' preferred stock (whether at LightSquared Inc. or LightSquared LP).

c. On the Effective Date, Harbinger shall make a capital contribution to reorganized LightSquared Inc. of up to $259 million through (i) the voluntary contribution of $159 million of Prepetition Inc. Facility Claims, in exchange for 6.1% of the Inc. Common Stock and (ii) by backstopping a rights offering of $100 million to holders of existing common stock for 3.9% of the Inc. Common Stock.

d. The Debtors' existing cash, together with the proceeds of the Exit Facility and Harbinger's capital contributions shall be used to fund (A) the cash obligations under the Harbinger Plan due on the Effective Date, including (i) payment in full of Prepetition Inc.

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[5] The need for FCC approval was emphasized by the FCC in its filing dated August 30, 2013 and statements given on the record of the hearing on September 30, 2013. (*See* Article VII.B.1.(a) below.)

Facility Claims (other than the claim of Harbinger), (ii) payment in full of the principal amount of general unsecured claims and (iii) payment of administrative and priority claims, and (B) meeting the Debtors' ongoing liquidity requirements. Additionally, the Harbinger Plan contemplates that when the FCC approves the use of the NOAA spectrum, LightSquared will have the necessary funding to meet requisite usage fees related to accessing and sharing that spectrum.

(c) Potential Additional Exit Financing.

Harbinger is exploring other and further potential sources for exit financing (the "Additional Exit Facility"), including, without limitation, (a) amending the Exit Facility to increase the amount from $550 million to $1.0 billion and to eliminate the 25 MHz Spectrum Approval (as defined below) condition precedent, and/or (b) obtaining additional financing from non-Exit Facility Lenders of at least $1.45 billion conditioned upon 20 MHz x 10 MHz FCC approval. Any Additional Exit Facility is contingent upon obtaining the consent of requisite Exit Facility Lenders.

If $450 million of Additional Exit Facility is procured, the Harbinger Plan provides for the distribution of $600 million in Cash to Holders of Class 2A Claims instead of the distribution of $600 million of New First Lien Facility Notes. If $1.45 billion of Additional Exit Facility is procured, the Harbinger Plan provides for the distribution of $1 billion in Cash to Holders of Class 2A Claims instead of the distribution of $1 billion of New First Lien Facility Notes.

Harbinger believes that the Additional Exit Facility would not cause any prejudice to the treatment of Claims or Equity Interests set forth herein, but rather would materially improve such treatment and potentially reduce the amount of time for such distributions to occur. Indeed, Harbinger anticipates that any Additional Exit Facility would result in substantial additional Cash being made available to fund obligations under the Harbinger Plan and intends to allocate such Cash to pay non-subordinated Allowed Prepetition LP Facility Claims, potentially entirely in full. Harbinger reserves the right to modify the treatments, as set forth herein, to reflect improved terms resulting from any Additional Exit Facility, including, without limitation, to provide that incremental Cash generated thereby will be paid to Holders of Allowed Prepetition LP Facility Claims.

(d) Potential Subordination of Claims and Interests Held or Controlled By or For the Benefit of the Ergen Parties.

The Debtors currently are seeking the disallowance and subordination of the Prepetition LP Facility Claims held or controlled by or for the benefit of the Ergen Parties in the Ergen Adversary (as defined below). Additionally, consistent with the Bankruptcy Court's ruling on December 10, 2013, the Harbinger Plan constitutes a motion to subordinate the Prepetition LP Facility Claims and the Existing LP Preferred Units held or controlled by or for the benefit of the Ergen Parties.

If the Debtors and/or Harbinger succeeds in subordinating the Prepetition LP Facility Claims and/or the Existing LP Preferred Units held or controlled by or for the benefit of the Ergen Parties, then, contingent upon obtaining the consent of requisite Exit Facility Lenders, the

Harbinger Plan will provide for (a) separate sub-classes of Classes 2 and 7, as relevant, for the subordinated versus non-subordinated Claims and Interests and (b) adjust the treatment of such subordinated Claims or Interests accordingly. In conjunction with this treatment, the Harbinger Plan provides for the creation and distribution of New Second Lien Facility Notes.

3. Assets, Business and Operations of the Debtors and Reorganized Debtors.

The Harbinger Plan reflects a recapitalization of the Debtors' existing debts and interests, without any material changes to the Debtors' existing business and/or operations and with the Debtors assets vesting in the Reorganized Debtors. The Debtors' business, operations and certain assets are discussed in detail in Article II.2 of the General Disclosure Statement. The Debtors' assets also include certain causes of action, which, likewise, will vest in the Reorganized Debtors and consist of, among other things, the following:

(a) The Debtors' Causes of Action Against Ergen Parties.

On August 6, 2013, Harbinger filed an adversary proceeding, Case No. 13-01390 (SCC) (the "Ergen Adversary"). Harbinger's complaint names as defendants Charles W. Ergen ("Ergen"), EchoStar Corporation ("EchoStar"), Dish Network Corporation ("DISH"), L-Band Acquisition LLC ("LBAC" and, collectively with Ergen, EchoStar, and DISH, the "DISH/EchoStar Defendants"), SP Special Opportunities LLC ("SPSO"), SP Special Opportunities Holdings LLC ("SP Holdings"), Sound Point Capital Management LP ("SP Capital" and, collectively with SPSO and SP Holdings, (the "Sound Point Defendants"), and Stephen Ketchum ("Ketchum").

The Ergen Adversary seeks disallowance of SPSO's claim against LightSquared LP both as a matter of contract and on equitable grounds. Harbinger is also seeking to redress particularized injury that it suffered. In addition to the claims referenced above, Harbinger's complaint includes causes of action related to the defendants fraudulent and tortious conduct to misappropriate Harbinger's investment in LightSquared and destroy Harbinger's contractual rights and business opportunities associated with that investment in the following manner: First, the DISH/EchoStar Defendants committed fraud to circumvent a provision of the Prepetition LP Credit Agreement that forbids them -- as designated competitors and therefore not "Eligible Assignees" -- from purchasing LightSquared LP's secured debt and thereby infiltrated the capital structure by purchasing a majority of secured debt. The DISH/EchoStar Defendants used SPSO as a front for their purchases, misrepresenting its status as an "Eligible Assignee" when in fact, because it is controlled by the DISH/EchoStar Defendants, it is not. Second, the DISH/EchoStar Defendants caused SPSO to refuse to settle over $600 million in debt trades. With the trades in limbo, Harbinger was unable to negotiate with creditors prior to the expiration of exclusivity and to raise financing necessary to its plan. Third, the DISH/EchoStar Defendants caused SPSO to enter into back-to-back trades of bundled debt and preferred shares (which SPSO was also ineligible to purchase under LightSquared LP's stockholders' agreement) with Jefferies as broker and key potential participants in exit financing as counterparties, and then again refused to close the trades. This left Jefferies -- who was later approved to provide exit financing to LightSquared -- and the counterparties uncertain of their exposure to LightSquared and thus unable to take on the additional exposure necessary to provide key exit financing necessary for Harbinger's plan. Fourth, the DISH/EchoStar Defendants used LBAC to make an unsolicited,

low-ball, bad faith bid for LightSquared's spectrum assets and then promptly leaked the confidential bid to the public. The low-ball bid and its public disclosure were timed to sow confusion and doubt among potential investors as to the value of the spectrum assets. Finally, the DISH/EchoStar Defendants caused SPSO to join the Ad Hoc Secured Group in order to propose a plan of reorganization that would destroy Harbinger's control rights and remove Harbinger as a competitor, and simultaneously caused the Ad Hoc Secured Group to enter into a plan support agreement that prevented its members from negotiating with Harbinger.[6]

On November 14, 2013, the Bankruptcy Court entered its Order Granting Motions to Dismiss the Amended Complaint and on November 21, 2013, it entered its Memorandum Decision Granting Motions to Dismiss Complaint. On December 2, 2013, Harbinger filed its notice of appeal.

In connection with the Ergen Adversary, on November 15, 2013, the Debtors filed their Complaint-In-Intervention against SPSO, DISH, EchoStar and Ergen. The Debtors' complaint seeks, among other things:

> (i) declaratory relief finding that SPSO is not an "Eligible Assignee" under the Prepetition LP Credit Agreement and therefore, is in breach of section 10.04(b) thereunder;
>
> (ii) breach of contract against SPSO for purchasing Prepetition LP Facility Claims in breach of section 10.04(b) of the Prepetition LP Credit Agreement;
>
> (iii) disallowance of SPSO's Prepetition LP Facility Claims under Section 502(b) of the Bankruptcy Code;
>
> (iv) equitable disallowance of SPSO's Prepetition LP Facility Claims; and
>
> (v) tortious interference with contractual relations against SPSO, DISH, EchoStar and Ergen in connection with SPSO's breach of section 10.04(b) of the Prepetition LP Credit Agreement.

Specifically, the Prepetition LP Credit Agreement only allows assignment to an "Eligible Assignee," and because SPSO is controlled by the DISH/EchoStar Defendants, it is not an "Eligible Assignee." The agreement expressly bars entities that are not proper assigns from holding "any legal or equitable right, remedy or claim under or by reason of [the] Agreement." As the Debtors previously argued "[a] plain reading of the Prepetition LP Credit Agreement leads to but one additional conclusion: [SPSO] is (a) a subsidiary of both DISH and EchoStar, (b) a Disqualified Company, and (c) prohibited from purchasing Prepetition LP Obligations."[7]

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[6] This description is qualified in its entirety by reference to the Amended Complaint [Adv. Proc. Dkt. No. 43].

[7] *See* LightSquared's (I) *Objection to Emergency Motion of Ad Hoc Secured Group of LightSquared's LP Lenders to Enforce Order Pursuant to 11 U.S.C. § 1121(d) Further Extending LightSquared's Exclusive Periods to File a Plan of Reorganization and Solicit Acceptances Thereof [Docket No. 522]*, and (II) *Cross-Motion for Entry of Order, Pursuant to 11 U.S.C. § 105(a), Relieving LightSquared of Certain Obligations Thereunder*, dated July 1, 2013 [Dkt. No. 705] at 32.

Accordingly, because SPSO is not an Eligible Assignee, the purported transfers to SPSO did not transfer any rights to SPSO, SPSO does not have "any legal or equitable right, remedy or claim under or by reason of the Agreement," and therefore SPSO is not a proper creditor of the Debtors' estates.

On November 25, 2013, SPSO and Ergen moved to dismiss the Debtors' complaint. On November 26, 2013, DISH and EchoStar similarly moved to dismiss the complaint. On December 2, 2013, Harbinger filed a Second Amended Complaint seeking, in part, to disallow SPSO's claim in full or, in the alternative, to equitably subordinate SPSO's claim in its entirety. On December 5, 2013, SPSO filed a motion to dismiss Harbinger's Second Amended Complaint. At the hearing on the motions to dismiss held on December 10, 2013, the Court denied the motions with respect to the Debtors' Complaint in Intervention, except for the equitable disallowance claim and, solely with respect to SPSO, the tortious interference claim.

Harbinger believes that the Court should disallow and expunge SPSO's Prepetition LP Facility Claims and, if it holds any, Existing LP Preferred Units, both as a matter of contract and on equitable grounds, which will provide incremental value to the Debtors' creditors and equity holders in excess of $1 billion.

(b) The Debtors' GPS-Related Causes of Action.

On November 1, 2013, LightSquared Inc., LightSquared LP, and LightSquared Subsidiary LLC commenced an adversary proceeding against Deere & Company, Garmin International, Inc., Trimble Navigation Limited, The U.S. GPS Industry Counsil, and The Coalition To Save Our GPS (collectively, "GPS Defendants"), Case No. 13-01670 (SCC) (the "GPS Adversary Proceeding"). The Debtors seek relief based on claims for (i) promissory estoppels, (ii) breach of contract, (iii) breach of implied covenant of good faith, (iv) unjust enrichment, (v) negligent misrepresentation, (vi) tortuous interference with existing contractual or business relationship, (vii) tortuous interference with prospective business relationship, (viii) civil conspiracy, and (ix) fraudulent concealment.

As the Debtors noted prior to commencing the GPS Adversary Proceeding, "LightSquared believes that its claims against the GPS Defendants are strong and meritorious and, if those claims are prosecuted, they may yield a significant value for all of LightSquared's stakeholders."[8] Harbinger has performed extensive analysis of the Debtors' claims against the GPS industry and believes that the Debtors' claims could exceed $6 billion.

[8] *LightSquared's Emergency Motion for Entry of Order Stay Related Litigation*, dated September 30, 2013 [Dkt. No. 888] at ¶ 2.

III.

TREATMENT AND ESTIMATED RECOVERIES UNDER THE HARBINGER PLAN

Chart of Consideration Allocable to Non-Classified Claims

Class	Treatment	Estimated Claim Amounts	Estimated Recovery
DIP Facility Claims	Payment in full, in Cash, on or prior to Effective Date	$66,410,000[9]	100%
Administrative Claims and Priority Tax Priority Claims	Payment in full, in Cash, on the Effective Date or at the time such Administrative Claim or Priority Tax Claim becomes Allowed.	$25,000,000-$77,000,000[10]	100%

Chart of Consideration Allocable to Classified Claims[11]

Class Number	Class	Treatment	Estimated Claim Amounts	Estimated Recovery
Class 1	Prepetition Inc. Facility Claims	Payment in full, in Cash, on the Effective Date or at time such non-Affiliate Prepetition Inc. Facility Claim becomes Allowed; provided, however, that Harbinger has agreed to accept a lesser treatment of its Prepetition Inc. Facility Claims and receive a Pro Rata share of 6.19% of Inc. Common Stock (subject to dilution for the New Warrants and the Management Incentive Plan), on the Effective Date.	$440,000,000	100%

[9] *Ibid.*, Ex. C (Liquidation Analysis). All DIP Facility Claims shall be Allowed and deemed to be Allowed Claims in the amount of $63,102,656.06 as of September 30, 2013, plus interest, exit fees, other fees, expenses and all other obligations incurred under the DIP Credit Agreement through and including the Effective Date.

[10] To the extent such payment is required, this would include LBAC's $51.8 million break-up fee. Although the Harbinger Plan contains funding for this expense, Harbinger believes that the conditions to allowance of this expense will not be met.

[11] Classes 2B and 7B only exist upon subordination of Ergen Parties and consent of requisite Exit Facility Lenders.

Class 2A	Non-Subordinated Prepetition LP Facility Claims	Payment in full, on the Effective Date, by distribution of (a) a Pro Rata share of the Prepetition LP Facility Cash Payment and (b) New First Lien Facility Notes in a principal amount equal to the amount (if any) by which such Holder's Allowed Class 2A Claim exceeds the amount of Cash received pursuant to preceding sub-clause (a); provided, however, that to the extent required by the terms of any Additional Exit Facility, if any, the foregoing treatment shall be modified, with the consent of requisite Exit Facility Lenders, to provide New Second Lien Facility Notes instead of New First Lien Facility Notes.	$	100%
Class 2B	Subordinated Prepetition LP Facility Claims	Subject to consent of the requisite Exit Facility Lenders, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Subordinated Prepetition LP Facility Claim, on the Effective Date, each Holder of an Allowed Subordinated Prepetition LP Facility Claim shall receive payment in full through New Second Lien Facility Notes in a principal amount equal to its Allowed Subordinated Prepetition LP Facility Claim.	$	100%
Class 3	Other Secured	Either (i) payment in full, in	[Unknown]	100%

	Claims	Cash; (ii) delivery of the collateral securing such Allowed 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 Other Secured Claim in any other manner such that the Allowed Other Secured Claim shall be rendered Unimpaired, on the Effective Date or at such time such Other Secured Claim becomes Allowed.		
Class 4	Other Priority Claims	Payment in full, in Cash, on the Effective Date or at such time such Other Priority Claim becomes Allowed.	[Unknown]	100%
Class 5	General Unsecured Claims	Payment of principal amount of Claim in full, in Cash, on the Effective Date or at the time such General Unsecured Claim becomes Allowed.	$10,600,000[12]	100% of principal amount
Class 6	Intercompany Claims	On the Effective Date or as soon thereafter as practicable, each Allowed Intercompany Claim shall be Reinstated for the benefit of the Holder thereof.	[Unknown]	100%
Class 7A	Non-Subordinated Existing LP Preferred Units Equity Interests	Payment in full, on the Effective Date, by distribution of New Inc. Subordinated Facility Notes with a face value equal to the Preferred Payment Amount.	$_____[13]	100%
Class 7B	Subordinated Existing LP Preferred	Subject to consent of the requisite Exit Facility Lenders, Holders of Allowed		0%

[12] *Ibid.*

[13] *Ibid.*

	Units Equity Interests	Subordinated Existing LP Preferred Units Equity Interest shall not be entitled to any distribution or shall receive such other treatment directed by the Bankruptcy Court that is subordinate to the treatment of Class 7A Equity Interests.		
Class 8	Existing Inc. Preferred Stock Equity Interests	Payment in full, by distribution of New Inc. Subordinated Facility Notes.	$277,000,000[14]	100%
Class 9	Existing Inc. Equity Interests	Will retain Inc. Common Stock and receive rights to participate in the Rights Offering for 3.9% of the Inc. Common Stock, each subject to dilution for the New Warrants and the Management Incentive Plan.	[N/A]	[N/A]
Class 10	Existing Inc. Warrants	Will retain Existing Inc. Warrants.	[N/A]	[N/A]
Class 11	Intercompany Interests	On the Effective Date or as soon thereafter as practicable, each Allowed Intercompany Claim shall be Reinstated for the benefit of the Holder thereof.	[N/A]	100%

IV.

CLASSES ENTITLED TO VOTE ON THE HARBINGER PLAN

The following chart describes whether each Class of Claims and Equity Interests is entitled to vote to accept or reject the Harbinger Plan. For a complete description of voting procedures and deadlines, please see Article I.C of the General Disclosure Statement.[15]

Class Number	**Class**	**Impaired/Unimpaired**	**Entitled To Vote**

[14] *Ibid.*

[15] Classes 2B and 7B only exist upon subordination of Ergen Parties and consent of requisite Exit Facility Lenders.

Class 1	Prepetition Inc. Facility Claims	Unimpaired	No
Class 2A	Non-Subordinated Prepetition LP Facility Claims	Impaired	Yes
Class 2B	Subordinated Prepetition LP Facility Claims	Impaired	Yes
Class 3	Other Secured Claims	Unimpaired	No
Class 4	Other Priority Claims	Unimpaired	No
Class 5	General Unsecured Claims	Impaired	Yes
Class 6	Intercompany Claims	Unimpaired	No
Class 7A	Non-Subordinated Existing LP Preferred Units Equity Interests	Impaired	Yes
Class 7B	Subordinated Existing LP Preferred Units Equity Interests	Impaired	No
Class 8	Existing Inc. Preferred Stock Equity Interests	Impaired	Yes
Class 9	Existing Inc. Equity Interests	Impaired	Yes
Class 10	Existing Inc. Warrants	Impaired	Yes
Class 11	Intercompany Interests	Unimpaired	No

V.

CERTAIN RISK FACTORS SPECIFIC TO THE HARBINGER PLAN

For a complete description of the risk factors affecting the reorganization of the Debtors, please see Article V of the General Disclosure Statement. Below are the specific risk factors affecting the Harbinger Plan:

A. Regulatory Risks.

The Harbinger Plan reflects a recapitalization of the Debtors' existing debts and interests, without any material changes to the Debtors' existing businesses and/or operations. The regulatory risks facing the Reorganized Debtors are substantially the same identified by the Debtors in the Section of the General Disclosure Statement titled "Regulatory Risk." (*See* General Disclosure Statement, Art. V. A. 2.)

As a condition precedent for the occurrence of the Effective Date, the FCC must grant authority for LightSquared Subsidiary LLC to use 20 megahertz of uplink spectrum in the L-band and 5 megahertz of additional spectrum in a downlink configuration for nationwide terrestrial broadband services, which authorized use must not be limited or conditioned in certain

specified regards (the "25 MHz Spectrum Approval"). There is no assurance that the FCC will grant such authority and any delays in obtaining such authority will delay the Effective Date.

B. Consummation of Exit Facility.

As a condition precedent for the occurrence of the Effective Date, the Reorganized Debtors shall enter into the Exit Facility in the amount of not less than $550 million to provide the Reorganized Debtors with the requisite Cash to satisfy their obligations under the Harbinger Plan and capitalize the Reorganized Debtors with sufficient liquidity post-emergence. The Exit Facility is discussed in Article II.B.2 above.

Each Exit Facility Lender has committed to provide its allocated share of the Exit Facility upon the occurrence of certain conditions precedent. Those conditions include, without limitation, (a) confirmation of the Harbinger Plan by the Bankruptcy Court and (b) FCC authority to use the 25 MHz Spectrum. There is no certainty that the Bankruptcy Court will confirm the Harbinger Plan (as discussed below) nor that the FCC will grant such authority (as discussed above). Moreover, the Exit Facility Lender's funding obligations expire on June 30, 2014 and there can be no assurance that the Effective Date will occur by that date. Finally, even if all conditions precedent to funding of the Exit Facility occur, there is no guaranty that all Exit Facility Lenders will abide by their commitment and fund as required, in which case, the Effective Date of the Harbinger Plan may be threatened and/or delayed.

C. Confirmation of Harbinger Plan.

The Harbinger Plan requires the acceptance of a requisite number of Holders of Claims or Equity Interests that Impaired and entitled to vote on the Plan, and the approval of the Court. There can be no assurance that such acceptances and approvals will be obtained and therefore, that the Plan will be confirmed.

In the event that any Impaired Class of Claims or Equity Interests of a particular Debtor does not accept the Harbinger Plan, the Court may nevertheless confirm the Harbinger Plan as to that Debtor if at least one Impaired Class of Claims of the Debtor has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such Class), and, as to each Impaired Class that has not accepted the Harbinger Plan, the Court determines that the Harbinger Plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting Classes.

The Plan Proponent believes that the Harbinger Plan comports with the "cram-down" requirements in Section 1129(b) of the Bankruptcy Code. Harbinger expects that Class 5 (General Unsecured Claims) is an Impaired Class that will vote to accept the Harbinger Plan at each Debtor. Moreover, Harbinger believes that, as to all Impaired Classes, the Harbinger Plan "does not discriminate unfairly" and is "fair and equitable."

For instance, Class 2A (Non-Subordinated Prepetition LP Facility Claims) – of which approximately 80% are either proponents of the competing Ad Hoc Plan (discussed below) or are affiliated with LBAC and therefore likely to vote to reject the Harbinger Plan – is receiving the "indubitable equivalent" of the Prepetition LP Facility Claims through the New First Lien Facility Notes. Class 7A (Existing LP Preferred Units Equity Interests) and Class 8 (Existing

Inc. Preferred Stock Equity Interests), through the New Inc. Subordinated Facility Notes, which have a face amount equal to the higher of (i) the fixed liquidation preference or (ii) the fixed redemption price of such interests, will receive distributions that satisfy the requirements for cram-down of equity interests.

The Ad Hoc Preferred LP Group believes that the treatment of the Existing LP Preferred Units Equity Interests under any plan confirmed in these Bankruptcy Cases would constitute a repayment under the "Optional Repayment" provisions of Section 9.6(a) of the LightSquared LP Limited Partnership Agreement, which provides that the general partner of LightSquared LP may redeem the Existing LP Preferred Units Equity Interests at the "Premium Redemption Amount," which provides for an annual internal rate of return, as more fully described in the LightSquared LP Limited Partnership Agreement. Harbinger believes that the treatment of the Existing LP Preferred Units Equity Interests in the Harbinger Plan comports with the annual rate of return provided in the LightSquared LP Limited Partnership Agreement.

D. Business-Related Risks.

The Harbinger Plan reflects a recapitalization of the Debtors' existing debts and interests, without any material changes to the Debtors' existing businesses and/or operations. The business risks facing the Reorganized Debtors are substantially the same identified by the Debtors in the Section of the General Disclosure Statement titled "Business-Related Risks." (*See* General Disclosure Statement, Art. V.A.1.) However, because FCC approval of authority to use the 25 MHz Spectrum is a condition to the Effective Date, the corresponding business risk would no longer exist.

E. Risks Related to Existing Inc. Equity Interests / New Warrants.

1. Liquid Trading of Existing Inc. Equity Interests and New Warrants.

The Existing Inc. Equity Interests and the New Warrants will not be listed on an exchange and the Plan Proponent makes no assurance that liquid trading markets for the Existing Inc. Equity Interests or the New Warrants will develop. The liquidity of the Existing Inc. Equity Interests and the New Warrants will depend upon, among other things, the number of Holders of Existing Inc. Equity Interest and New Warrants, the Reorganized Debtors' financial performance and the market for similar securities, none of which can be determined or predicted. The Plan Proponent therefore cannot make assurances as to the development of an active trading market or, if a market develops, the liquidity or pricing characteristics of that market.

2. Trading Existing Inc. Equity Interests and New Warrants

Holders of Equity Interests that receive Existing Inc. Equity Interests and Exit Facility Lenders that receive New Warrants may seek to sell such securities in an effort to obtain liquidity. These sales and the volume of Existing Inc. Equity Interests and New Warrants available for trading could cause the trading price for the Existing Inc. Equity Interests or the New Warrants to be depressed, particularly in the absence of an established trading market for the stock.

3. Exercise Price Under Rights Offering

The per share price for Inc. Common Stock offered pursuant to the Rights Offerings is based on certain assumptions, and does not necessarily reflect the Debtors' past operations, cash flows, net income or current financial condition, the book value of the Debtors' assets, the projected operations, cash flows, net income or financial condition of the Reorganized Debtors, the book value of the Reorganized Debtors' assets, or other established criteria for value. As a result, the Per Share Price should not be relied upon as an indication of the actual value of the Reorganized Debtors or the future trading price of the Inc. Common Stock or the New Warrants.

F. Additional Factors.

1. The Plan Proponent Has No Duty To Update.

The statements contained in the Harbinger Specific Disclosure Statement are made by the Plan Proponent as of the date hereof, unless otherwise specified herein, and the delivery of the Harbinger Specific Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. The Plan Proponent has no duty to update the Harbinger Specific Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

2. No Representations Outside The Joint Disclosure Statement.

No representations concerning or related to the Debtors, the Chapter 11 Cases, or the Harbinger Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in the Joint Disclosure Statement. Any representations or inducements made to secure acceptance or rejection of the Harbinger Plan that are other than as contained in, or included with, the Joint Disclosure Statement should not be relied upon by you in arriving at your decision.

3. No Legal or Tax Advice Is Provided To You By The Harbinger Specific Disclosure Statement.

The contents of the Harbinger Specific Disclosure Statement should not be construed as legal, business or tax advice. Each Holder of a Claim or Equity Interest should consult his, her or its own legal counsel and accountant as to legal, tax and other matters concerning his, her or its Claim or Equity Interest. The Harbinger Specific Disclosure Statement is not legal advice to you. The Harbinger Specific Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Harbinger Plan or object to Confirmation of the Harbinger Plan.

4. No Admission Made.

The Harbinger Plan and this Harbinger Specific Disclosure Statement is an offer to resolve the claims against and interests in the Debtors. Accordingly, nothing contained herein shall constitute an admission of, or be deemed evidence of, the tax or other legal effects of the Harbinger Plan on the Debtors or on Holders of Claims or Equity Interests or be deemed an admission in any litigation to which Harbinger is a party.

VI.

CONFIRMATION OF THE HARBINGER PLAN

A. Requirements For Confirmation Of The Harbinger Plan.

1. Requirements of Section 1129(a) of the Bankruptcy Code.

(a) General Requirements.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the confirmation requirements specified in Section 1129 of the Bankruptcy Code have been satisfied. Such requirements are more fully set forth in Article IV.C of the General Disclosure Statement. Harbinger believe that the Harbinger Plan satisfies (or will satisfy on or prior to the Effective Date as required by law) these requirements, including for the reasons discussed in Article V.C above.

(b) The Best Interest Test and the Debtors' Liquidation Analysis.

Pursuant to Section 1129(a)(7) of the Bankruptcy Code ("Best Interest Test"), Holders of Allowed Claims and Interests must either (a) accept the Harbinger Plan or (b) receive or retain under the Harbinger Plan property of a value, as of the Harbinger Plan's assumed Effective Date, that is not less than the value such non-accepting Holder would receive or retain if the Debtors were to be liquidated under chapter 7 of the Bankruptcy Code ("Chapter 7").

The first step in meeting the Best Interest Test is to determine the dollar amount that would be generated from a hypothetical liquidation of the Debtors' assets and properties in the context of Chapter 7 cases. The gross amount of Cash available would be the sum of the proceeds from the disposition of the Debtors' assets and the Cash held by the Debtors at the time of the commencement of the Chapter 7 cases. The next step is to reduce that total by the amount of any Claims secured by such assets, the costs and expenses of the liquidation, and such additional administrative expenses and priority Claims that may result from the termination of the Debtors' businesses and the use of Chapter 7 for the purposes of liquidation. Any remaining net Cash would be allocated to Creditors and shareholders in strict priority in accordance with Section 726 of the Bankruptcy Code. Finally, taking into account the time necessary to accomplish the liquidation, the present value of such allocations may be compared to the value of the property that is proposed to be distributed under the Harbinger Plan on the Effective Date.

The Debtors' costs of liquidation under Chapter 7 would include the fees payable to a Chapter 7 trustee in bankruptcy, as well as those that might be payable to attorneys and other professionals that such a trustee may engage, plus any unpaid expenses incurred by the Debtors during the Chapter 11 Cases and allowed in the Chapter 7 cases, such as compensation for attorneys, financial advisors, appraisers, accountants and other professionals, and costs and expenses of members of the Creditors' Committee appointed by the U.S. Trustee pursuant to Section 1102 of the Bankruptcy Code and any other committee so appointed. Moreover, in a Chapter 7 liquidation, additional Claims would arise by reason of the breach or rejection of obligations incurred and executory contracts or leases entered into by the Debtors both prior to, and during the pendency of, the Chapter 11 Cases.

The foregoing types of Claims, costs, expenses, fees and such other Claims that may arise in a liquidation case would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay pre-Chapter 11 priority and unsecured claims. Under the absolute priority rule, no junior creditors would receive any distribution until all senior Creditors are paid in full, with interest, and no equity holder would receive any distribution until all Creditors are paid in full, with interest.

The Debtors, with the assistance of the restructuring and financial advisors, have prepared a hypothetical liquidation analysis ("Liquidation Analysis") in connection with the General Disclosure Statement. (*See* Exhibit C to the General Disclosure Statement.) The Plan Proponent adopts the Liquidation Analysis for illustrative purposes relating to the Harbinger Plan and the Harbinger Specific Disclosure Statement.

Given that the Harbinger Plan proposes to pay all Holders of Claims, Existing Inc. Preferred Units Equity Interests, and Existing LP Preferred Units Equity Interests in full, such plan by definition provides treatment at least as favorable as in a liquidation under Chapter 7. Moreover, after consideration of the effects that a Chapter 7 liquidation would have on the ultimate proceeds available for distribution to creditors in a Chapter 7 case, including (i) the increased costs and expenses of a liquidation under Chapter 7 arising from fees payable to a trustee in bankruptcy and professional advisors to such trustee, as well as potential added expenses related to FCC approvals arising from the liquidation process; (ii) where applicable, the erosion in value of assets in a Chapter 7 case in the context of the expeditious liquidation required under Chapter 7 and the "forced sale" atmosphere that would prevail; and (iii) substantial increases in claims which would be satisfied on a priority basis, the Plan Proponent has determined that Confirmation of the Harbinger Plan will provide each Creditor of the Debtors and each Holder of a Claim or Equity Interest with a recovery that substantially mitigates each of the foregoing risks. UNDERLYING THE LIQUIDATION ANALYSIS ARE NUMEROUS ESTIMATES AND ASSUMPTIONS MADE BY THE DEBTORS AND THEIR ADVISORS REGARDING LIQUIDATION PROCEEDS THAT, ALTHOUGH DEVELOPED AND CONSIDERED REASONABLE BY THE DEBTORS' MANAGEMENT AND THEIR ADVISORS, ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, REGULATORY AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES BEYOND THE CONTROL OF THE DEBTORS AND THEIR MANAGEMENT. FURTHERMORE, THE PLAN PROPONENT HAS NOT CONDUCTED AN INDEPENDENT ANALYSIS OF THE DEBTORS' LIQUIDATION ANALYSIS AND CANNOT ENSURE THE ACCURACY THEREOF. THERE CAN BE NO ASSURANCE THAT THE VALUES REFLECTED IN THE LIQUIDATION ANALYSIS WOULD BE REALIZED IF THE DEBTORS WERE, IN FACT, TO UNDERGO SUCH A LIQUIDATION. THE PLAN PROPONENT IS USING THE DEBTORS' ANALYSIS SOLELY FOR ILLUSTRATIVE PURPOSES.

(c) Feasibility.

The Bankruptcy Code requires a plan proponent to demonstrate that confirmation of a plan of reorganization is not likely to be followed by the liquidation or the need for further financial reorganization of a debtor unless so provided by the plan of reorganization. Attached hereto as Exhibit E is a projection of cash flow over the 12 month period following the Effective

Date, prepared by the Plan Proponent, demonstrating the Reorganized Debtors' ability to meet their financial obligations under the Harbinger Plan, together with a schedule of sources and uses of consideration under the Harbinger Plan.

2. Requirements of Section 1129(b) of the Bankruptcy Code.

The Bankruptcy Court may confirm the Harbinger Plan over the rejection or deemed rejection of the Harbinger Plan by a Class of Claims or Interests if the Harbinger Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such Class. (*See* Article V.C above.)

(a) No Unfair Discrimination.

This test applies to Classes of Claims or Equity Interests that are of equal priority and are receiving different treatment under a plan of reorganization. The test does not require that the treatment be the same or equivalent, but that such treatment is "fair."

(b) Fair and Equitable Test.

This test applies to Classes of different priority (e.g., unsecured versus secured) and includes the general requirement that no Class of Claims receives more than 100% of the Allowed amount of the Claims in such Class. As to the dissenting Class, the test sets different standards depending on the type of Claims or Equity Interests in such Class:

> Secured Claims. Each Holder of an Impaired Secured Claim either (i) retains its Liens on the property (or if sold, on the proceeds thereof) to the extent of the Allowed amount of its secured Claim and receives deferred Cash payments having a value, as of the effective date of the Harbinger Plan, of at least the Allowed amount of such Claim, or (ii) receives the "indubitable equivalent" of its Allowed secured Claim.
>
> Unsecured Claims. Either (i) each Holder of an Impaired unsecured Claim receives or retains under the Harbinger Plan property of a value equal to the amount of its Allowed unsecured Claim, or (ii) the Holders of Claims and Equity Interests that are junior to the Claims of the dissenting Class will not receive or retain any property under the Harbinger Plan.
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> Equity Interests. Either (i) such Equity Interest Holder will receives or retain under the Harbinger Plan property of a value equal to the greater of (a) the fixed liquidation preference or redemption price, if any, of such stock, and (b) the value of the stock, or (ii) the Holders of Equity Interests that are junior to the Equity Interests of the dissenting Class will not receive or retain any property under the Harbinger Plan.

The Plan Proponent believes that the Harbinger Plan satisfies both the "unfair discrimination" requirement and the "fair and equitable" requirement notwithstanding the rejection of the Harbinger Plan by any Class of Claims or Equity Interests.

3. Releases.

The Harbinger Plan, in contrast to the Ad Hoc Plan (defined below) does not provide for what Harbinger considers to be illegal releases in favor of the Ad Hoc Secured Group's (as defined below) handpicked favored parties. The Harbinger Plan provides only for traditional exculpation provisions in favor of the Debtors, the Lead Arranger, the DIP Lenders and Exit Facility Lenders and the Plan Proponent.

4. Exculpation and Injunction Provisions.

Except as otherwise specifically provided in the Harbinger 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 exculpated Claim, except for willful misconduct (including fraud) or gross negligence, 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 Harbinger Plan. The Exculpated Parties have, and upon Confirmation of the Harbinger 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 Harbinger 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 Harbinger Plan or such distributions made pursuant to the Harbinger Plan.

Except as otherwise expressly provided in the Harbinger Plan or for obligations issued pursuant to the Harbinger Plan, all Entities who have held, hold, or may hold Claims or Equity Interests that have been discharged pursuant to Article VIII.A of the Harbinger Plan or are subject to exculpation pursuant to Article VIII.D of the Harbinger Plan 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 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 Harbinger Plan. Nothing in the Harbinger 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.

VII.

ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE HARBINGER PLAN

If the Harbinger Plan is not confirmed and consummated, alternatives to the Harbinger Plan include (i) liquidation of the Debtors under Chapter 7 of the Bankruptcy Code, or (ii) confirmation of an alternative plan of reorganization proposed in the Chapter 11 Cases.

A. Liquidation Under Chapter 7.

If no plan can be confirmed, the Chapter 11 Cases may be converted to cases under Chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed to liquidate the assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a Chapter 7 liquidation would have on the recovery of Holders of Claims and Equity Interests and the Debtors' liquidation analysis are set forth in Article VI.A.1(b) above, entitled Confirmation of the Harbinger Plan; Requirements for Confirmation of the Harbinger Plan; The Best Interests Test and the Debtors' Liquidation Analysis. The Plan Proponent believes that liquidation under Chapter 7 would result in smaller distributions being made to Creditors than those provided for in the Harbinger Plan because the Harbinger Plan will pay all creditors and preferred shareholders in full. Moreover, a liquidation of the Debtors is undesirable because of (i) the likelihood that the assets of the Debtors would have to be sold or otherwise disposed of in a less orderly fashion over a shorter period of time; (ii) additional administrative expenses involved in the appointment of a Chapter 7 trustee; and (iii) additional expenses and Claims, some of which would be entitled to priority, which would be generated during the liquidation and from the rejection of Unexpired Leases and other Executory Contracts in connection with a cessation of the Debtors' operations.

B. Alternative Chapter 11 Plans.

Certain parties, including (i) the Debtors, (ii) the Ad Hoc Secured Group of LightSquared LP Lenders ("Ad Hoc Secured Group") and (iii) U.S. Bank National Association and Mast Capital Management, LLC ("USB / MAST"), have proposed alternative plans of reorganization for one or more of the Debtors that contemplate a sale of the Debtors' spectrum assets. Although the Harbinger Plan is not without risks, as set forth in Article V above, all alternative plans (other than the Harbinger Plan) are dependent upon sale of the Debtors' spectrum assets that will precipitate a longer and more complex review of transfer of control issues by the FCC compared with a review of the Harbinger Plan. Harbinger believes that a proposed sale of the spectrum involves a significant and complicated risk that will, at best, result in extensive delays in any other plan becoming effective, and, at worst, could result in the failure of the alternative plan

after such lengthy delays. Moreover, Harbinger believes that a proposed sale of the Debtors' assets should only be pursued as a protective measure if the Debtors are unable to obtain relief from the FCC sufficient to meet the conditions of the Harbinger Plan. Otherwise, any proposed sale necessarily will shortchange the Debtors' estates and their creditors and interest holders of the enormous value to be realized upon FCC approval of LightSquared's proposed use of its spectrum assets. Indeed, the proponents of and stalking horse bidders under the Ad Hoc Plan and USB/Mast Plan have no incentive to maximize the sale proceeds beyond the amount needed to satisfy their own claims against the Debtors. Instead, they are content with the attempt by prospective purchasers to acquire the spectrum assets by seeking to purchase them for a fraction of their fair value. Given that the Harbinger Plan is the only plan that provides for full payment to creditors and preferred shareholders and the ability to go effective on a quicker timeline, Harbinger strongly believes that its plan is superior to all others.

Harbinger further provides the following evaluation of the plans proposed by the Ad Hoc Secured Group (the "Ad Hoc Plan") and USB/Mast (the "USB/Mast Plan").

1. The Ad Hoc Plan.

The Ad Hoc Plan contemplates the sale of LightSquared LP's assets (the "LP Sale"), consisting primarily of the L-Band spectrum and related contractual rights, pursuant to a public auction where LBAC, a subsidiary of DISH and under the control of Ergen, will serve as the stalking horse bidder. On October 7, 2013, the Ad Hoc Secured Group filed an amended version of the Ad Hoc Plan. The most significant change is that under the amended version the Effective Date will occur upon the closing date of the LP Sale rather than upon the funding date of the LP Sale. As a result, LightSquared LP will remain in bankruptcy pending the FCC approval process, which may be lengthy.

The movement of the Effective Date from the funding date to the closing date may also delay distributions to creditors under the Ad Hoc Plan. Other than the holders of Prepetition LP Facility Claims, including the proponents of the Ad Hoc Plan, who will receive an "interim distribution" on account of their secured claims, which the Ad Hoc Secured Group contends will stop the accrual of interest on such Claims, no other Holder of Claims or Equity Interests will receive any distribution on account thereof until after the FCC approval process is completed and the Effective Date occurs, unless the Bankruptcy Court enters further orders approving additional interim distributions.

Harbinger believes that the additional delay of the occurrence of the Effective Date may take years. It is undeniable that a transfer of control of the L-Band spectrum to LBAC is highly controversial and is without any guarantee of success. Harbinger believes this process alone could last well over a year. If the transfer of the L-Band spectrum to LBAC is denied, the FCC approval process would then start anew once LBAC procures a new purchaser. Indeed, there is no guarantee when, or even if, LBAC will procure a new purchaser, nor is there any guarantee that the FCC will approve a transfer of the L-Band spectrum to such new purchaser. Accordingly, there is no guarantee when the Effective Date will occur or when creditors and interest holders of LightSquared LP will receive a distribution.

Although the amended Ad Hoc Plan purports to retain the Court's jurisdiction over the L-Band spectrum until the closing date, Harbinger believes such retention may be subject to numerous challenges, including on the grounds that the court may not retain jurisdiction for the sole benefit of a third party bidder when such exercise of jurisdiction may be without impact upon any other party in interest. From a practical perspective, Harbinger believes that the Ad Hoc Plan offers no insight into how such jurisdiction will be exercised, or how the Debtors will be operated, during a period that Harbinger believes will likely be measured in years from the confirmation date through the effective date.

Harbinger also believes that the Ad Hoc Plan also is beset with numerous other issues that were not cured by the filing of the amended version, including that the funding of the purchase price of the LP Sale on the funding date still constitutes a *de facto* transfer of control and therefore will not occur without prior FCC approval.

(a) Illegal Transfer Without FCC Approval.

The Ad Hoc Plan proposes that LBAC will purchase the spectrum prior to receiving FCC approval by creating what Harbinger considers to be a fictitious structure that is unworkable. The Ad Hoc Plan contends that, pending FCC approval of a transfer to LBAC, the spectrum will remain under the *de facto* control of LightSquared LP.

In reality, Harbinger believes there will likely be an impermissible *de facto* transfer of control without prior FCC approval because the Debtors' ongoing control of the spectrum will be entirely devoid of substance insofar as LBAC will hold 100% of the economic interest in the spectrum immediately, will have the ability to direct the Debtors to sell the spectrum to another buyer, will have substantial direct control over the Debtor entities including the filling of vacancies in LightSquared LP management, and will control LightSquared LP's funding needs. Harbinger believes that the FCC will deem this structure a *de facto* transfer of control and require LBAC, like all other potential buyers, to fully comply with applicable regulatory procedures by obtaining prior approval for the transfer of control that will occur immediately under the Ad Hoc Plan.

Because federal law prohibits *de facto* changes of control without prior FCC approval (*see e.g.*, 47 U.S.C. § 310(d)), Harbinger believes the Ad Hoc Plan cannot be confirmed under 11 U.S.C. §1129(a)(3).

The FCC has previously taken issue when full payment for FCC-licensed assets has been made in advance of securing FCC consent for the assignment or transfer of control of such licenses to the purchasing party. Specifically in the bankruptcy context, the FCC's Review Board designated the issue of a possible unauthorized transfer of control stating its concern that "the entire purchase price has been prepaid and nothing remains to be paid upon approval of the transfer."[1] Citing that precedent, ten years later the FCC revoked an unauthorized transfer of control, concluding, among other factors stated: "[the FCC licensee] received the entire $50,000

[1] *Arthur A. Cirilli*, 3 FCC 2d 893, 897, ¶9 (Rev. Bd. 1966).

purchase price and has kept it. Control by [the FCC licensee], we find, was transferred illegally."[2]

Similarly in the context of shared services agreements among broadcast stations that do not constitute a *de jure* transfer of control, the FCC has made clear when evaluating whether a *de facto* transfer has occurred "that a licensee must retain the economic incentive to control programming aired over its station."[3] In the absence of retention by the licensee of such economic interest, *de facto* control of the license may be attributed to the party that would be paying for the operation of the licensed facilities and spectrum -- here, the purchaser of the spectrum assets under the Ad Hoc Plan. Prior FCC consent for such purchaser to acquire lawfully such control would be required.

Indeed, the FCC, which has shown great interest in these Bankruptcy Cases and the potential transfer of the spectrum assets, has appeared specifically to voice its concerns with any sale or plan that attempts to circumvent its authority. At a September 30, 2013 hearing before the Bankruptcy Court, the FCC demanded that the bidding procedures in these cases contain specific language making absolutely clear that "no assignment or transfer of control of any rights and interests of the debtors in any federal license or authorization issued by the Federal Communications Commission shall take place prior to the issuance of FCC regulatory approval for such assignment, pursuant to the Communications Act of 1934 as amended, and the rules and regulations promulgated thereunder."[4] The FCC also stated that its staff already had "some concern that the LBAC proposal could be interpreted as a *de facto* unauthorized transfer of control of LightSquared's FCC authorizations."[5]

Over and above the very significant matter of requiring prior FCC consent to implement the Ad Hoc Plan, stripping the existing licensee of any incentive to make valuable use of the spectrum for which it is licensed while the purchaser decides whether to seek such licenses himself or find another buyer would raise significant policy concerns at the FCC regarding the warehousing of valuable spectrum. As proposed, for however long it takes the purchaser to decide whether even to seek FCC authorization for the spectrum itself and/or for another buyer to be sought, and then for the process of securing FCC consent for such an assignment, no one would have any interest in the spectrum to develop it for any beneficial use. Such a strategy of putting valuable spectrum on hold while the purchaser develops his plans would be directly contrary to FCC policies. As the FCC stated when DISH (an Ergen-related entity) sought to continue to keep vacant a valuable orbital slot: "Allowing DISH to continue to suspend operations at a location that it has left vacant for over two years -- and for which it still has no

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[2] *Revocation of the licenses of Superior Communications Co., Inc. Licensee of stations KAQ73, KAQ74, and KAQ75, licensed in the Point to Point Microwave Radio Service*, Order of Revocation, 57 FCC 2d 772, 776, ¶16 (1976).

[3] *In the Matter of KHNL/KGMB License Subsidiary, LLC; Licensee of Stations KHNL(TV) and KGMB(TV), Honolulu, Hawaii And HITV License Subsidiary, Inc.; Licensee of Station KFVE(TV), Honolulu, Hawaii* , Memorandum Opinion and Order and Notice of Apparent Liability, 26 FCC Rcd 16087, 16093, ¶ 19 (Chief Media Bur. 2011).

[4] Transcript of Sept. 30, 2013 Hrg. at 83:24-84:13.

[5] *Ibid.* at 83:3-7.

committed plans -- would allow DISH to warehouse scarce orbit and spectrum resources, contrary to Commission policy."[6] The FCC might well reach the same conclusion here, particularly because DISH, as LBAC's corporate parent, has made no progress in developing the considerable amount of S-band spectrum that it acquired from DBSD and TerreStar out of bankruptcy.

(b) FCC Transfer of Control Approval Would Create Significant Delay.

It is inconceivable that any purchaser of the spectrum assets would be in a position to close on a purchase of such assets in an expedited time frame following confirmation of the Ad Hoc Plan. As the Effective Date of the Ad Hoc Plan cannot occur until the sale of assets has closed, Harbinger believes there will be a significant delay before any creditors, other than those creditors that hold Prepetition LP Facility Claims, receive any distribution on account of their claims under the Ad Hoc Plan.

First, before the FCC will give serious consideration to any request to approve a transfer of control, the exact terms of the proposed transaction, including the proposed assignee, need to be established, which would require confirmation of a plan.[7] The Confirmation Hearing in these cases is currently scheduled for December 10, 2013 and that is the very earliest that such approval process can likely begin. Then, before the FCC will act on an application to assign or transfer control of FCC licenses, it must issue a public notice accepting the application for filing and establish a pleading cycle in the public notice giving interested parties an opportunity to comment – typically 30 days for initial comments and 15 days for reply comments.

Moreover, given the stated plans of DISH to reconfigure usage of LightSquared's uplink and downlink L-band spectrum, the FCC may well require a rulemaking proceeding to effectuate such reconfiguration in addition to a transfer of control adjudicatory proceeding.[8]

In a significant transaction, such as the transfer of control of LightSquared, the public notice and comment period alone consumes two to three months.[9] Once the comment period

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[6] *In the Matter of DISH Operating L.L.C. Application to Suspend Operations at the 148 [degrees] W.L. Orbital Location*, Memorandum Opinion and Order, 27 FCC Rcd 5923, 5923, ¶ 1 (Chief, Int'l Bureau 2011).

[7] The Bankruptcy Court recognized this at a September 30, 2013 hearing, observing correctly that: "In a million years the FCC's not going to give a -- going to come in and give a hypothetical view. I think it's only going to give its view when there's an application that's pending before it after a transaction leaves this building and goes up to them, or down to them -- . . . -- for approval." Transcript of Sept. 30, 2013 Hrg. at 86:7-13.

[8] When DISH acquired TerreStar and DBSD, it sought reconfiguration of their spectrum. The FCC denied DISH's request to authorize this reconfiguration on a waiver basis, and it instead initiated a rulemaking proceeding to consider the changes DISH had proposed. *See Service Rules for Advanced Wireless Services in the 2000-2020 MHz and 2180-2200 MHz Bands*, Report and Order and Order of Proposed Modification, FCC 12-151 (Dec. 17, 2012) at ¶ 14. Based on this precedent, a rulemaking proceeding is the likely course of action for the FCC if DISH seeks to reconfigure LightSquared's spectrum and to reconfigure further the spectrum DISH acquired from TerreStar and DISH.

[9] For example, in the SoftBank-Sprint transaction, the FCC applications were filed on November 15, 2012, and the initial pleading cycle did not close until two and one-half months later, on February 1, 2013. The FCC

closes, the comments need to be evaluated and an order must be drafted. Given the significant issues that would be presented in an Ergen acquisition of LightSquared or, for that matter, an Ergen-directed transfer of control of LightSquared, the transfer application will be addressed at the FCC level, which involves an additional level of review involving the commissioners and their staff. In view of the complex issues presented in any transfer of control of LightSquared's spectrum and in particular by an Ergen acquisition or an Ergen-directed transfer of control of LightSquared, Harbinger believes FCC processing of the applications necessitated by the Ad Hoc Plan could well take one to one and a half years to review as to transfer of control issues alone.[10]

Such delays will harm the Debtors, their estates and all stakeholders if, as a result, the Debtors are forced to deplete their liquidity and run out of Cash. According to the Debtors, they have sufficient Cash to last through sometime in December 2013 to February 2014. The Ad Hoc Plan – while imposing extensive emergence delays keeping the Debtors in bankruptcy into mid-2014 and likely beyond – provides no financing to enable the Debtors to get to an effective date. In contrast, the Harbinger Plan provides necessary additional financing through the New DIP Facility, which is designed to fund the Debtors through at least June 2014.

(c) DISH, As Corporate Parent Of LBAC, Further Complicates The Ad Hoc Plan.

An FCC application seeking authority for DISH to acquire LightSquared would raise multiple issues that would require careful FCC consideration. Stanton Dodge, DISH's Executive Vice President, has acknowledged that when it comes to combining LightSquared's spectrum with DISH's existing spectrum, "[t]here are lots of hoops to jump through from a regulatory point of view."[11] It is a virtual certainty that multiple parties would oppose the application vigorously. Grant of this application would give DISH an interest in large swathes of spectrum that can be used to provide broadband services, including the terrestrial portion of LightSquared's spectrum; the terrestrial portion of the spectrum DISH acquired from TerreStar and DBSD; and 700 MHz spectrum a DISH affiliate acquired at auction. The FCC, not to mention the Department of Justice, would need to evaluate whether the consolidation of this spectrum in DISH's hands would have an anti-competitive impact in the broadband market. The FCC and the Department of Justice also would have to consider whether giving DISH control over the mobile satellite spectrum held by LightSquared and the mobile satellite spectrum formerly held by TerreStar and DBSD would give rise to undue concentration. In addition, given DISH's failure to construct network facilities using the S-band spectrum it acquired from TerreStar and DBSD, a DISH application would involve significant spectrum speculation and warehousing issues.

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subsequently extended the pleading cycle through February 25, 2013, which was more than three months from the date the applications were filed.

[10] For example, in large transactions in recent times that required FCC approval, the-filing-to closing period for Sirius-XM was 17 months; for Frontier-Verizon it was 14 months; for Comcast-NBCU it was 13 months; for AT&T-Qualcomm it also was 13 months; and for Qwest-CenturyLink it was 12 months.

[11] Communications Daily (Aug. 22, 2013) at 1.

DISH's plan to reconfigure the uplink and downlink designations for LightSquared's spectrum and the spectrum DISH acquired from TerreStar and DBSD[12] adds a significant layer of complexity to the transfer application, in addition to the necessity of a separate rulemaking proceeding, as noted above. The FCC would need to address whether this plan would be the source of unacceptable interference to adjacent bands, including the GPS band, and would have to consider the impact of the plan on other users of LightSquared's spectrum, including Inmarsat and its Department of Defense customers.

(d) The Asset Purchase Agreement Contemplated By The Ad Hoc Plan Requires Consent of Entities Who Are Not Parties To The Sale.

Section 7.1(a) of the LBAC asset purchase agreement ("LBAC APA") requires, as a condition to funding, that the parties to the LBAC APA obtain all consents and approvals required to assign that certain Inmarsat Cooperation Agreement to the purchaser. The assignment of the Inmarsat Cooperation Agreement is a critical part of the sale. However, two of the parties to the Inmarsat Cooperation Agreement, LightSquared Inc. and Inmarsat Global Limited, are not parties to the LBAC APA or part of the Ad Hoc Plan (indeed, Inmarsat Global Limited is not even a debtor in these Chapter 11 Cases) and there is no assurance that the requisite consents and approvals to effectuate the assignment will be obtained. Moreover, the ability to obtain such consents and approvals is out of the control of the parties to the LBAC APA. In contrast, the assignment of the Inmarsat Cooperation Agreement is not an issue in the Harbinger Plan. In addition, the transaction contemplated by the Ad Hoc Plan would likely create a tax liability that would impair valuable tax attributes of LightSquared Inc. because the Debtors report on a consolidated basis.

(e) The Ad Hoc Plan Cannot Provide For The Sale Of Assets Non-Ad Hoc Plan Debtor.

The Ad Hoc Plan impermissibly contemplates a sale of assets by Debtors that are not reorganized through the Ad Hoc Plan.

(f) LBAC Is Not A Good Faith Purchaser and the Ad Hoc Plan is Not Proposed in Good Faith.

Harbinger believes that SPSO and LBAC have not acted in good faith during the pendency of these Chapter 11 Cases. Courts have held that misconduct including fraud, concealment of material facts, or other attempts to take grossly unfair advantage of other bidders destroys a purchaser's good faith.

As more fully described in Article II.B.4(a) above and in Article III.D.3 of the General Disclosure Statement, in the Ergen Adversary, Harbinger has brought claims against SPSO, LBAC and others that Harbinger believes establish that LBAC is not a good faith purchaser and that SPSO, a proponent of the Ad Hoc Plan, has not acted in good faith. Moreover, it is telling that at least four derivative shareholder suits have been filed against DISH and its directors, including Ergen, arising out of Ergen's debt purchases through SPSO and DISH's disbandment

[12] *See* Communications Daily (Aug. 22, 2013) at 1-3.

of a two member special committee after it approved LBAC's bid, which caused one of the two independent committee members to resign in protest. The lawsuits allege *inter alia*, that Ergen breached his fiduciary duty to DISH's shareholders who should benefit from any profit Ergen makes off SPSO's his debt purchases.

Moreover, the Claims and Equity Interests asserted by SPSO and any other Ergen-related parties against LightSquared LP are Disputed and will be paid in full in the consideration referred to in Article III hereof only if, and to the extent such Claims and Interests are Allowed pursuant to a Final Order of the Bankruptcy Court.

As such, Harbinger believes that (a) LBAC is not entitled to a finding of good faith within the meaning of Section 363(m) of the Bankruptcy Code and (b) that the Ad Hoc Plan does not satisfy the requirements in Section 1129(a)(3) of the Bankruptcy Code. In addition, Harbinger believes that the FCC, which considers (among other things) the character of an applicant seeking approval to hold spectrum assets, may not approve an application submitted by LBAC.

LBAC, DISH, SPSO and Ergen dispute the foregoing allegations in their entirety.

2. <u>The USB/Mast Plan</u>.

The USB/Mast Plan contemplates the sale of One Dox Six Corp.'s assets to an affiliate of Mast Capital Management, LLC ("<u>Mast</u>") through a credit bid of Mast's secured debt.

Like the Ad Hoc Plan, the USB/Mast Plan contemplates a closing on a purchase of spectrum assets in a three or four month time frame, which is not likely achievable. As discussed in Article VII.B.1(b) above, it is likely the FCC would not seriously consider any transfer of control application until after confirmation of a plan, and from there the review process is unlikely to conclude before mid-2014. Yet, the USB/Mast Plan does not provide any source of funding to permit the Debtors to continue to operate past December 31, 2013 when their cash collateral authority expires. As such, the delays inherent in the USB/Mast Plan are likely to harm the Debtors, their estates and all stakeholders by causing the Debtors to exhaust all available cash. Like the LBAC APA, the Mast bid anticipates the use or acquisition of assets of other Debtors through a "transition services agreement" that is not defined or explained, and it is likely to impair valuable tax attributes of LightSquared Inc., a debtor that is not subject to the USB/Mast Plan, without adequate consideration.

In addition, the USB/Mast Plan seeks to reap a massive windfall for Mast. It provides for Mast to acquire the One Dot Six spectrum at a small fraction of its fair value. While the USB/Mast Plan is nominally subject to higher and better offers in an auction process, Mast has rejected all efforts to afford the Debtors sufficient liquidity to manage an orderly sales process. In pushing for a fire-sale environment, Mast apparently hopes that no bidders will emerge and that its heavily discounted bid will prevail. Harbinger believes that Mast is well aware that the value of its collateral substantially exceeds the amount of its debt and that Mast is seeking to recover under its plan a substantial premium to its allowed claim.

CONCLUSION

Harbinger respectfully submits that its plan maximizes the value of the Debtors' estates, provides for the Debtors' to achieve their goals of obtaining critical FCC relief and repaying all their creditors and preferred shareholders in full, and minimizes to the greatest possible extent the enormous risk and delay of approval of a transfer of control. For these reasons, Harbinger urges all creditors and shareholders entitled to vote to accept the Harbinger Plan.

Dated: December 11, 2013
New York, New York

By: /s/ David M. Friedman
David M. Friedman
Adam L. Shiff
Daniel A. Fliman
Matthew B. Stein
KASOWITZ, BENSON, TORRES
& FRIEDMAN LLP
1633 Broadway
New York, New York 10019
Telephone: (212) 506-1700
Facsimile: (212) 506-1800

Attorneys for Harbinger Capital Partners LLC

EXHIBIT 3

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

SECOND AMENDED JOINT PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE PROPOSED BY HARBINGER CAPITAL PARTNERS, LLC

THIS PLAN IS BEING SUBMITTED FOR APPROVAL BY THE BANKRUPTCY COURT. THIS IS NOT A SOLICITATION OF AN ACCEPTANCE OR REJECTION OF THE PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE, 11 U.S.C. § 1125. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL THE BANKRUPTCY COURT HAS APPROVED A DISCLOSURE STATEMENT. NOTHING CONTAINED HEREIN SHALL CONSTITUTE AN OFFER, ACCEPTANCE, OR A LEGALLY BINDING OBLIGATION OF PLAN PROPONENT, THE DEBTORS OR ANY OTHER PARTY IN INTEREST.

KASOWITZ, BENSON, TORRES & FRIEDMAN LLP
David M. Friedman
Adam L. Shiff
Daniel A. Fliman
Matthew B. Stein
1633 Broadway
New York, New York 10019
(212) 506-1700 (phone)
(212) 506-1800 (facsimile)
Counsel to Harbinger Capital Partners, LLC

[1] The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal or foreign tax or regist ration 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

Harbinger Capital Partners, LLC, on behalf of itself and certain of its managed and affiliated funds and wholly owned subsidiaries, hereby respectfully proposes the following joint plan of reorganization 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. Harbinger Capital Partners, LLC is the proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code.

ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS, TO THE EXTENT APPLICABLE, 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 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. "**Additional Exit Facility**" means one or more financing facilities (other than the Exit Facility) that may be provided by the Additional Exit Facility Lenders on the Effective Date, which, together with the Additional Exit Facility Credit Agreement and documents related thereto, shall be subject to consent of requisite Exit Facility Lenders, which loans shall be secured by Liens on substantially all the assets of the Exit Facility Obligors that are *pari passu* with the Liens securing the Exit Facility and senior to all other Liens.

3. "**Additional Exit Facility Agent**" means one or more Administrative Agents and Collateral Agents for the Additional Exit Facility, or any successor agent appointed in accordance with the Additional Exit Facility Credit Agreement.

4. "**Additional Exit Facility Credit Agreement**" means one or more Credit Agreement, dated as of the Effective Date (as amended, supplemented, restated, or otherwise

modified from time to time), among the Exit Facility Obligors and the Additional Exit Facility Lenders, a copy of which shall be included in the Plan Supplement.

5. "**Additional Exit Facility Lead Arranger**" means one or more lead arrangers under the Additional Exit Facility Credit Agreement.

6. "**Additional Exit Facility Lenders**" means the lenders party to the Additional Exit Facility Credit Agreement from time to time.

7. ~~2.~~ "**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 Facility Claims and (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.

8. ~~3.~~ "**Administrative Claim Bar Date**" means the deadline for filing requests for payment of Administrative Claims, which shall be thirty (30) days after the Effective Date.

9. ~~4.~~ "**Affiliate**" has the meaning set forth in section 101(2) of the Bankruptcy Code.

10. ~~5.~~ "**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.

11. ~~6.~~ "**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. ~~7.~~ "**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. ~~8.~~ "**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. ~~9.~~ "**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 and/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. ~~10.~~ "**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. ~~11.~~ "**Business Day**" means any day, other than a Saturday, Sunday, or "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

17. ~~12.~~ "**Cash**" means the legal tender of the United States of America or the equivalent thereof.

18. ~~13.~~ "**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. Cause of Action also includes: (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 claim or cause of action of any kind against any

Exculpated Party based in whole or in part upon acts or omissions occurring prior to or after the Petition Date.

19. ~~14.~~ "**Certificate**" means any instrument evidencing a Claim or an Equity Interest.

20. ~~15.~~ "**Chapter 11 Cases**" means (a) when used with reference to a particular Debtor, the chapter 11 case pending for that Debtor 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.

21. ~~16.~~ "**Claim**" means any claim against a Debtor as defined in section 101(5) of the Bankruptcy Code.

22. ~~17.~~ "**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.

23. ~~18.~~ "**Claims Bar Date**" means 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.

24. ~~19.~~ "**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].

25. ~~20.~~ "**Claims Objection Bar Date**" means the deadline for objecting to a Claim, 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.

26. ~~21.~~ "**Claims Register**" means the official register of Claims maintained by the Claims and Solicitation Agent.

27. ~~22.~~ "**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.

28. ~~23.~~ "**Confirmation**" means the entry of the Confirmation Order on the docket of the Chapter 11 Cases.

29. ~~24.~~ "**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.

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

31. ~~26.~~ "**Confirmation Order**" means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

32. ~~27.~~ "**Consummation**" means the occurrence of the Effective Date.

33. ~~28.~~ "**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 by the Debtors pursuant to sections 365 or 1123 of the Bankruptcy Code.

34. ~~29.~~ "**D&O Liability Insurance Policies**" means all insurance policies of any of the Debtors for directors', managers', and officers' liability.

35. ~~30.~~ "**Debtor**" means one of the Debtors, in its individual capacity as a debtor in these Chapter 11 Cases.

36. ~~31.~~ "**Debtors**" means, collectively: LightSquared Inc., LightSquared Investors Holdings Inc., One Dot Four Corp., One Dot Six Corp., SkyTerra Rollup LLC , SkyTerra Rollup Sub LLC, SkyTerra Investors LLC, TMI Communications Delaware, Limited Partnership, LightSquared GP Inc., LightSquared LP, ATC Technologies, LLC, LightSquared Corp., LightSquared Finance Co., LightSquared Network LLC, LightSquared Inc. of Virginia, LightSquared Subsidiary LLC, Lightsquared Bermuda Ltd., SkyTerra Holdings (Canada) Inc., SkyTerra (Canada) Inc., and One Dot Six TVCC Corp.

37. ~~32.~~ "**Debtors in Possession**" means, collectively, the Debtors, as debtors in possession in these Chapter 11 Cases, pursuant to sections 1107 and 1108 of the Bankruptcy Code.

38. ~~33.~~ "**DIP Agent**" means U.S. Bank National Association, as Arranger, Administrative Agent, and Collateral Agent under the DIP Credit Agreement.

39. ~~34.~~ "**DIP 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), among the DIP Obligors, the DIP Agent, and the DIP Lenders.

40. ~~35.~~ "**DIP Facility**" means that certain $46.4 million debtor in possession credit facility provided in connection with the DIP Credit Agreement and DIP Order.

41. ~~36.~~ "**DIP Facility Claim**" means a Claim held by the DIP Agent or DIP Lenders arising under or related to the DIP Facility.

42. ~~37.~~ "**DIP Lenders**" means the lenders party to the DIP Credit Agreement from time to time.

43. ~~38.~~ "**DIP Obligors**" means One Dot Six Corp., as borrower, and LightSquared Inc., One Dot Four Corp., and One Dot Six TVCC Corp., as guarantors, under the DIP Credit Agreement.

44. ~~39.~~ "**DIP 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.

45. ~~40.~~ "**Disbursing Agent**" means the Reorganized Debtors, or the Entity or Entities designated by the Plan Proponent to make or facilitate distributions pursuant to the Plan.

46. ~~41.~~ "**Disclosure Statement**" means collectively, the *General Disclosure Statement*, dated August 29, 2013 [Dkt. No. 815] ~~and~~, the *First Amended Specific Disclosure Statement for the Joint Plan of Reorganization For LightSquared and Its Subsidiaries Proposed By Harbinger Capital Partners, LLC*, dated ~~August 30, 2013 [Dkt. No. 822],~~October 9, 2013 [Dkt. No. 935], the *Second Amended Specific Disclosure Statement for the Joint Plan of Reorganization For LightSquared and Its Subsidiaries Proposed By Harbinger Capital Partners, LLC*, dated December 11, 2013, and as further amended, supplemented, or modified from time to time, including all exhibits and schedules thereto and references therein that relate to the Plan.

47. ~~42.~~ "**Disputed**" means, with respect to any Claim or Equity Interest, any Claim or Equity Interest that is not yet Allowed.

48. ~~43.~~ "**Distribution Record Date**" means the Voting Record Date.

49. ~~44.~~ "**Effective Date**" means the date selected by the ~~Debtors~~Plan Proponent 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.A hereof have been satisfied or waived (in accordance with Article IX.B hereof).

50. ~~45.~~ "**Entity"** has the meaning set forth in section 101(15) of the Bankruptcy Code.

51. ~~46.~~ "**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 phantom stock or similar stock unit provided pursuant to the Debtors' prepetition employee compensation program, 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.

52. ~~47.~~ "**Ergen Adversary**" means the Adversary Proceeding styled *Harbinger Capital Partners LLC et al. vs. Charles W. Ergen et al.*, Adv. Proc. No. 13-01390 (Bankr. S.D.N.Y.).

53. ~~48.~~ "**Ergen Parties**" means Charles W. Ergen, Echostar Corporation, DISH Network Corporation, L-Band Acquisition LLC, SP Special Opportunities LLC, SP Special Opportunities Holdings LLC, Sound Point Capital Management LLP and 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).

54. ~~49.~~ "**Estate**" means the bankruptcy estate of any Debtor created by section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Cases.

55. ~~50.~~ "**Eurodollar Rate**" means the higher of (i) the rate per annum (adjusted for statutory reserve requirements for Eurocurrency liabilities) at which Eurodollar deposits are offered in the interbank Eurodollar market for the applicable interest period, as quoted on Reuters Screen LIBOR01 Page (or any successor page or service) and (ii) 2.00%.

56. ~~51.~~ "**Exculpated Party**" means each of: (a) the Debtors; (b) Harbinger, (c) the DIP Agent, the DIP ~~Facility~~ Lenders and the lead arranger under the DIP Facility, (d) the Exit Facility Lenders and the Exit Facility Lead Arranger, and (e) 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).

57. ~~52.~~ "**Executory Contract**" means a contract to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

58. "**Existing Inc. Common Stock Equity Interests**" means the existing Inc. Common Stock.

59. ~~53.~~ "**Existing Inc. Equity Interests**" means the existing Equity Interests of LightSquared Inc., including the Existing Inc. Common Stock Equity Interests and the Existing Inc. Warrants, but excluding the Existing Inc. Preferred Stock.

60. ~~54.~~ "**Existing Inc. Preferred Stock**" means the outstanding shares of Convertible Series A Preferred Stock and Convertible Series B Preferred Stock issued by LightSquared Inc.

61. ~~55.~~ "**Existing Inc. Warrants**" means rights to purchase Inc. Common Stock issued prior to the Petition Date.

62. ~~56.~~ "**Existing LP Common Units**" means the outstanding common units issued by LightSquared LP.

63. ~~57.~~ "**Existing LP Preferred Units**" means the outstanding non-voting Series A Preferred Units issued by LightSquared LP.

64. ~~58.~~ "**Existing Shares**" means all Equity Interests related to Inc. Common Stock, Existing Inc. Preferred Stock, Existing LP Common Units, Existing LP Preferred Units, and Intercompany Interests.

65. ~~59.~~ "**Exit Facility**" means the financing facility to be provided by the Exit Facility Lenders on the Effective Date in the amount of at least $550 million, maturing on the fifth anniversary of its funding date, bearing interest at a rate per annum equal to the Eurodollar Rate plus (i) 9.50% during the first year of the loan, (ii) 10.50% during the second year of the loan and (iii) 11.50% at all times thereafter, which interest, during the first three years of the loan and absent any event of default, may be paid-in-kind, and which loans shall be secured by Liens on substantially all the assets of the Exit Facility Obligors *pari passu* with the Liens securing the New ~~LP~~First Lien Facility Notes and senior to all other Liens; provided, however, that subject to the satisfaction of certain conditions, $190 million of the Exit Facility will be made available to the Debtors as debtor-in-possession financing.

66. ~~60.~~ "**Exit Facility Agent**" means the Administrative Agent and Collateral Agent for the Exit Facility, or any successor agent appointed in accordance with the Exit Facility Credit Agreement.

67. **"Exit Facility Commitment Letter"** means the commitment letter dated October 1, 2013 including all exhibits and documents related thereto (as amended, supplemented and/or modified) by and between Harbinger, the Exit Facility Lenders and the Exit Facility Lead Arranger.

68. ~~61.~~ "**Exit Facility Credit Agreement"** means that certain Credit Agreement, dated as of the Effective Date (as amended, supplemented, restated, or otherwise modified from time to time), among the Exit Facility Obligors and the Exit Facility Lenders, a copy of which shall be included in the Plan Supplement.

~~62. **"Exit Facility Commitment Letter"** means the commitment letter dated October 1, 2013 including all exhibits and documents related thereto (as may be amended, supplemented and/or modified) by and between Harbinger, the Exit Facility Lenders and the Exit Facility Lead Arranger.~~

69. ~~63.~~ "**Exit Facility Lead Arranger**" means Melody Capital Advisors, LLC and/or any of its affiliates that will act as the lead arranger under the Exit Facility Credit Agreement.

70. ~~64.~~ "**Exit Facility Lenders"** means the lenders party to the Exit Facility Commitment Letter from time to time.

71. ~~65.~~ "**Exit Facility Obligors"** means the Inc. Debtors and LP Debtors and their subsidiaries as borrowers and/or guarantors under the Exit Facility Credit Agreement.

72. ~~66.~~ "**FCC**" means the Federal Communications Commission.

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

74. ~~68.~~ "**File**," "**Filed**," or "**Filing**" means file, filed, or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases.

75. ~~69.~~ "**Final Order**" means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction 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 has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari 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 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, may be filed relating to such order shall not prevent such order from being a Final Order; provided, further, that the Plan Proponent reserve the right to waive any appeal period.

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

77. ~~71.~~ "**General Unsecured Claim**" means any Claim against any of the Debtors that is not a/an: (a) Administrative Claim; (b) Priority Tax Claim; (c) DIP Facility Claim; (d) Other Secured Claim; (e) Other Priority Claim; (f) Prepetition LP Facility Claim; (g) Prepetition Inc. Facility Claim; or (h) Intercompany Claim.

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

79. ~~73.~~ "**Harbinger**" means Harbinger Capital Partners, LLC and each of its managed and affiliated funds and wholly owned subsidiaries, including, without limitation, HGW US Holding Company, L.P., Blue Line DZM Corp., and Harbinger Capital Partners SP, Inc.

80. ~~74.~~ "**Holder**" means the Entity holding the beneficial interest in a Claim or Equity Interest.

81. ~~75.~~ "**Impaired**" means, with respect to a Class of Claims or Equity Interests, a Class of Claims or Equity Interests that is not Unimpaired.

82. ~~76.~~ "**Inc. Common Stock**" means the 850,000,000 shares of common stock, par value $0.001, of Lightsquared, Inc., of which (1) 115,114,683 shares were authorized for issuance prior to the Effective Date and (2) ~~[TBD] shares~~ shall be a number of shares issued on the

Effective Date, ~~which shall be subject to~~consistent with the terms set forth in the Exit Facility Commitment Letter.

83. ~~77.~~ "**Inc. Common Stock Allocation**" means the following allocation of Inc. Common Stock on the Effective Date which shall be subject to the terms set forth in the Exit Facility Commitment Letter: (a) approximately 90% retained by current Holders of Allowed Existing Inc. Common Stock Equity Interests, (b) approximately 3.9% issued pursuant to the Rights Offering and (c) approximately 6.1% issued to Harbinger on account of the New Equity Contribution, each subject to dilution by the New Warrants and the Management Incentive Plan.

84. ~~78.~~ "**Inc. Debtors**" means, collectively, LightSquared Inc., LightSquared Investors Holdings Inc., One Dot Four Corp., One Dot Six Corp., One Dot Six TVCC Corp., SkyTerra Rollup LLC, SkyTerra Rollup Sub LLC, SkyTerra Investors LLC, TMI Communications Delaware, Limited Partnership and LightSquared GP Inc.

85. ~~79.~~ "**Intercompany Claim**" means any Claim held by a Debtor against another Debtor or any non-Debtor Affiliate against any Debtor.

86. ~~80.~~ "**Intercompany Contract**" means any agreement, contract, or lease all parties to which are Debtors.

87. ~~81.~~ "**Intercompany Interest**" means any Equity Interest in a Debtor held by another Debtor, including the Existing LP Common Units.

88. ~~82.~~ "**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.

89. ~~83.~~ "**Judicial Code**" means title 28 of the United States Code, 28 U.S.C. §§ 1-4001.

90. ~~84.~~ "**Lien**" has the meaning set forth in section 101(37) of the Bankruptcy Code.

91. ~~85.~~ "**LP Debtors**" means, collectively, LightSquared LP, ATC Technologies, LLC, LightSquared Inc. of Virginia, LightSquared Corp., LightSquared Subsidiary LLC, Sky Terra Holdings (Canada) Inc., SkyTerra (Canada) Inc., LightSquared Finance Co., LightSquared Network LLC and LightSquared Bermuda Ltd.

92. ~~86.~~ "**Management Incentive Plan"** means the management incentive plan to be filed with the Plan Supplement, which may provide, among other things, for the issuance of Inc. Common Stock upon terms and conditions to be set forth therein.

93. ~~87.~~ "**New Board**" means the board of directors, board of managers, or equivalent governing body of each of the Reorganized Debtors, as applicable, as initially comprised as set forth in this Plan and/or the Plan Supplement, subject to the terms and conditions of the Exit

Facility, and as comprised thereafter in accordance with the terms of the applicable New Corporate Governance Documents.

94. ~~88.~~ "**New Bylaws**" means the bylaws, partnership agreement, limited liability company membership agreement, or functionally equivalent document, as applicable, of each of the Reorganized Debtors, as applicable, the forms of which shall be included in the Plan Supplement.

95. ~~89.~~ "**New Charter**" means the charter, certificate of incorporation, certificate of formation, certificate of partnership, or functionally equivalent document, as applicable, of each of the Reorganized Debtors, as applicable, the forms of which shall be included in the Plan Supplement.

96. ~~90.~~ "**New Corporate Governance Documents**" means, as applicable, (a) the New Charter, (b) the New Bylaws, (c) the New Shareholders Agreement, and (d) any other applicable organizational or operational documents with respect to the Reorganized Debtors.

97. ~~91.~~ "**New Equity Contribution**" means Harbinger's voluntary exchange of $159 million of its Allowed Prepetition Inc. Facility Claims into Inc. Common Stock (as allocated pursuant to the Inc. Common Stock Allocation).

98. "**New First Lien Facility Agent**" means the Administrative Agent and Collateral Agent for the New First Lien Facility Notes, or any successor agent appointed in accordance with the New First Lien Facility Credit Agreement.

99. "**New First Lien Facility Credit Agreement**" means that certain Credit Agreement for the issuance of the New First Lien Facility Notes to be entered into on or prior to the Effective Date by the New First Lien Facility Agent and the New First Lien Facility Obligors, a form of which shall be filed with the Plan Supplement.

100. "**New First Lien Facility Interest Reserve**" means the reserve funded by the Reorganized Debtors on the Effective Date in an amount equal to six (6) months of interest accruing on the New First Lien Facility Notes at a rate of 9% per annum.

101. ~~92. "New Inc. Subordinated Facility Notes" means the unsecured~~"**New First Lien Facility Notes**" means the notes issued in accordance with, and in such amounts, set forth in Article III. 2(a) hereof, by the New ~~Inc. Subordinated~~First Lien Facility Obligors pursuant to the New ~~Inc. Subordinated~~First Lien Facility Credit Agreement, maturing on the ~~sixth~~third anniversary of the Effective Date, ~~accruing PIK interest at 14% per annum, issued in the principal amount of $573 million (subject to decrease upon the disallowance of Equity Interests held by the Ergen Parties), and the repayment of which shall be subordinated to the repayment of any funded debt of the New Inc. Subordinated Facility Obligors, including, without limitation, the New LP Facility Notes~~bearing interest at (i) 9% per annum payable in kind during the first year, (ii) 10% per annum payable in kind or 8% per annum payable in cash during the second year, and (iii) 11% per annum payable in kind or 9% per annum payable in cash during the third year, issued, and the repayment of which shall be secured by Liens on substantially all of the assets of the New First Lien Facility Obligors *pari passu* with the Liens securing the Exit Facility and

senior to all other Liens; provided, however, that the New First Lien Facility Agent's Liens on the New First Lien Facility Interest Reserve shall be senior to the Liens securing the Exit Facility and any Additional Exit Facility.

102. **"New First Lien Facility Obligors**" means the Inc. Debtors and the LP Debtors and their subsidiaries as issuers and/or guarantors under the New First Lien Facility Credit Agreement.

103. ~~93.~~ "**New Inc. Subordinated Facility Agent**" means the Administrative Agent for the New Inc. Subordinated Facility Notes, or any successor agent appointed in accordance with the New Inc. Subordinated Facility Credit Agreement.

104. ~~94.~~ "**New Inc. Subordinated Facility Credit Agreement**" means that certain Credit Agreement for the issuance of the New Inc. Subordinated Facility Notes to be entered into on or prior to the Effective Date by the New Inc. Subordinated Facility Agent and the New Inc. Subordinated Facility Obligors, a form of which shall be filed with the Plan Supplement.

105. **"New Inc. Subordinated Facility Notes"** means the unsecured notes issued by the New Inc. Subordinated Facility Obligors pursuant to the New Inc. Subordinated Facility Credit Agreement, maturing on the sixth anniversary of the Effective Date, accruing PIK interest at 14% per annum, issued in the principal amount of $573 million (subject to decrease upon the disallowance of Equity Interests held by the Ergen Parties), and the repayment of which shall be subordinated to the repayment of any funded debt of the New Inc. Subordinated Facility Obligors, including, without limitation, the New First Lien Facility Notes, the New Second Lien Facility Notes, the Exit Facility and any Additional Exit Facility.

106. ~~95.~~ **"New Inc. Subordinated Facility Obligors" means t**he Inc. Debtors and their subsidiaries (but excluding the LP Debtors or their subsidiaries) as issuers and/or guarantors under the New Inc. Subordinated Facility Credit Agreement.

~~96. "New LP Facility Notes" means the notes issued by the New LP Facility Obligors pursuant to the New LP Facility Credit Agreement, in the principal amount of $2.183 billion (subject to decrease upon the disallowance of Claims held by the Ergen Parties), maturing on the third anniversary of the Effective Date, bearing interest at (i) 9% per annum payable in kind during the first year, (ii) 10% per annum payable in kind or 8% per annum payable in cash during the second year, and (iii) 11% per annum payable in kind or 9% per annum payable in cash during the third year, issued, and the repayment of which shall be secured by Liens on substantially all of the assets of the New LP Facility Obligors *pari passu* with the Liens securing the Exit Facility and senior to all other Liens; provided, however, that the New LP Facility Agent's Liens on the New LP Facility Interest Reserve shall be senior to the Liens securing the Exit Facility.~~

107. ~~97.~~ **"New ~~LP~~Second Lien Facility Agent"** means the Administrative Agent and Collateral Agent for the New ~~LP~~Second Lien Facility Notes, or any successor agent appointed in accordance with the New ~~LP~~Second Lien Facility Credit Agreement.

108. ~~98.~~ "**New ~~LP~~Second Lien Facility Credit Agreement**" means that certain Credit Agreement for the issuance of the New ~~LP~~Second Lien Facility Notes to be entered into, to the extent necessary, on or prior to the Effective Date by the New ~~LP~~Second Lien Facility Agent and the New ~~LP~~Second Lien Facility Obligors, a form of which shall be filed with the Plan Supplement.

109. ~~99. **"New LP Facility Interest Reserve**" means the reserve funded by the Reorganized Debtors on the Effective Date in an amount equal to six (6) months of interest accruing on the New LP Facility at a rate of 9% per annum.~~**Second Lien Facility Notes"** means the notes that may be issued, as applicable in accordance with and in such amounts set forth in Article III. 2 hereof, by the New Second Lien Facility Obligors pursuant to the New Second Lien Facility Credit Agreement, containing the economic terms set forth therein and subject to an intercreditor agreement included with the Plan Supplement, which terms and agreement shall be subject to the consent of requisite Exit Facility Lenders, and the repayment of which shall be secured by Liens on substantially all of the assets of the New Second Lien Facility Obligors, which Liens shall be subordinated to the Liens securing the Exit Facility, any Additional Exit Facility and the New First Lien Facility Notes, but senior to all other Liens.

110. ~~100.~~ **"New ~~LP~~Second Lien Facility Obligors**" means the Inc. Debtors and the LP Debtors and their subsidiaries as issuers and/or guarantors under the New ~~LP~~Second Lien Facility Credit Agreement.

111. ~~101.~~ "**New Shareholders Agreement**" means the shareholders agreement (or functionally equivalent document, as applicable) of Reorganized ~~LightSquared~~Inc. with respect to the Inc. Common Stock, Existing Inc. Warrants and New Warrants to be effective on the Effective Date, and binding on all holders of the Inc. Common Stock, Existing Inc. Warrants and New Warrants, which shall be included in the Plan Supplement.

112. ~~102.~~ "**New Warrants**" means the right to purchase, subject to certain adjustments set forth in the Exit Facility Commitment Letter, at least 15.714% of the Inc. Common Stock at an exercise price of $0.01 per share, initially issued to the Exit Facility Lenders upon the Effective Date.

113. ~~103.~~ "**NYSE**" means the New York Stock Exchange.

114. ~~104.~~ "**NYSE Rules**" means the corporate governance rules of the New York Stock Exchange.

115. ~~105.~~ "**Other Priority Claim**" means any Claim accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than a/an: (a) Administrative Claim and (b) Priority Tax Claim.

116. ~~106.~~ "**Other Secured Claim**" means any Secured Claim that is not a/an: (a) DIP Facility Claim; (b) Prepetition Inc. Facility Claim; or (c) Prepetition LP Facility Claim.

117. ~~107.~~ "**Person**" has the meaning set forth in section 101(41) of the Bankruptcy Code.

118. ~~108.~~ "**Petition Date**" means May 14, 2012.

119. ~~109.~~ "**Plan**" means this plan, as amended, supplemented, or modified from time to time, including, without limitation, the Plan Supplement, which is incorporated herein by reference.

120. ~~110.~~ "**Plan Proponent**" means Harbinger.

121. ~~111.~~ "**Plan Supplement**" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan to be Filed no later than five (5) calendar days prior to the Voting Deadline or such later date as may be approved by the Bankruptcy Court on notice to parties in interest, as it may thereafter 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, including: (i) the New Bylaws, (ii) the New Charter, (iii) the New Shareholders Agreement, (iv) any other New Corporate Governance Documents, (v) the New ~~LP~~First Lien Facility Credit Agreement and the New Second Lien Facility Credit Agreement, (vi) the New Inc. Subordinated Facility Credit Agreement, (vii) the Exit Facility Credit Agreement, ~~and (viii~~(viii) any Additional Exit Facility Credit Agreement and (ix) the Schedule of Rejected Agreements.

122. ~~112.~~ "**Preferred Payment Amount**" means, with respect to Allowed Existing Inc. Preferred Stock and Allowed Existing LP Preferred Units, the higher of (i) the fixed liquidation preference or (ii) the fixed redemption price of those securities as of the Effective Date.

123. ~~113.~~ "**Prepetition Inc. Agent**" means U.S. Bank National Association, as successor administrative agent to UBS AG, Stamford Branch under the Prepetition Inc. Credit Agreement.

124. ~~114.~~ "**Prepetition Inc. Credit Agreement"** means **t**hat certain Credit Agreement, dated as of July 1, 2011 (as amended, supplemented, restated, or otherwise modified from time to time)**,** among the Prepetition Inc. Obligors, the Prepetition Inc. Agent, and the Prepetition Inc. Lenders.

125. ~~115.~~ "**Prepetition Inc. Facility**" means that certain $278,750,000 term loan credit facility provided in connection with the Prepetition Inc. Credit Agreement.

126. ~~116.~~ "**Prepetition Inc. Facility Claim**" means a Claim held by the Prepetition Inc. Agent or the Prepetition Inc. Lenders arising under or related to the Prepetition Inc. Facility.

127. ~~117.~~ "**Prepetition Inc. Lenders**" means the lenders party to the Prepetition Inc. Credit Agreement from time to time**.**

128. ~~118.~~ **"Prepetition Inc. Obligors"** means LightSquared Inc., as borrower, and One Dot Four Corp., One Dot Six Corp., and One Dot Six TVCC Corp., as guarantors under the Prepetition Inc. Credit Agreement.

129. ~~119.~~ "**Prepetition LP Agent**" means, collectively, UBS AG, Stamford Branch, as administrative agent, and Wilmington Trust FSB, as collateral trustee, under the Prepetition LP Credit Agreement.

130. ~~120.~~ "**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), among the Prepetition LP Obligors, the Prepetition LP Agent, and the Prepetition LP Lenders.

131. ~~121.~~ "**Prepetition LP Facility**" means that certain $1,500,000,000 term loan credit facility provided in connection with the Prepetition LP Credit Agreement.

132. "**Prepetition LP Facility Cash Payment**" means a Cash payment of (a) zero, if on the Effective Date, the Exit Facility is only the exit financing provided to the Reorganized Debtors, (b) $600 million, if on the Effective Date, Additional Exit Facility is provided to the Reorganized Debtors such that the total exit financing provided to the Reorganized Debtors equals at least $1 billion or (c) $1 billion, if on the Effective Date, Additional Exit Facility is provided to the Reorganized Debtors such that the total exit financing provided to the Reorganized Debtors equals at least $2 billion.

133. ~~122.~~ "**Prepetition LP Facility Claim**" means a Claim held by the Prepetition LP Agent or the Prepetition LP Lenders arising under or related to the Prepetition LP Facility.

134. ~~123.~~ "**Prepetition LP Lenders**" means the lenders party to the Prepetition LP Credit Agreement from time to time.

135. ~~124.~~ "**Prepetition LP Obligors**" means LightSquared LP, as borrower, and 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.

136. ~~125.~~ "**Priority Tax Claim**" means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

137. ~~126.~~ "**Pro Rata**" means: (a) with respect to Claims, the proportion that an Allowed Claim in a particular Class (or among particular unclassified Claims) bears to the aggregate amount of the Allowed Claims in that Class (or among those particular unclassified Claims), or the proportion that Allowed Claims in a particular Class and other Classes (or particular unclassified Claims) entitled to share in the same recovery as such Allowed Claim under the Plan bears to the aggregate amount of such Allowed Claims, and (b) with respect to Equity Interests, the proportion that an Allowed Equity Interest in a particular Class bears to the aggregate amount of the Allowed Equity Interests in that Class or the proportion that an Allowed Equity Interest in a particular Class and other Classes entitled to share in the same recovery as such Allowed Equity Interest under the Plan bears to the aggregate amount of such Allowed Equity Interests.

138. ~~127.~~ "**Professional**" means an Entity employed pursuant to a Bankruptcy Court order in accordance with sections 327, 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.

139. ~~128.~~ "**Professional Fee Escrow Account**" means an interest-bearing account in an amount equal to the Professional Fee Reserve Amount funded and maintained by the Reorganized Debtors on and after the Effective Date for the purpose of paying all Allowed and unpaid Accrued Professional Compensation Claims.

140. ~~129.~~ "**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.

141. ~~130.~~ "**Proof of Claim**" means a proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

142. ~~131.~~ "**Reinstated**" 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 Debtor 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.

143. ~~132.~~ "**Reorganized Debtors**" means the Debtors, in each case, or any successor thereto, by merger, consolidation, or otherwise, on or after the Effective Date.

144. ~~133.~~ "**Reorganized 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.

145. ~~134.~~ "**Reorganized LP**" 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.

146. ~~135.~~ "**Restructuring Transactions**" means one or more transactions to occur on the Effective Date or as soon as reasonably practicable thereafter, 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, consolidation, equity issuance, 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 the Plan Proponent determine are necessary or appropriate.

147. ~~136.~~ "**Rights Offering**" means the rights offering for the purchase of the Rights Offering Shares for $100 million in Cash ~~(or a price of $___ per share)~~, fully backstopped by Harbinger, to be conducted prior to the Effective Date by Harbinger.

~~137. "Rights Offering Shares" means the Inc. Common Stock allocated to the Rights Offering pursuant to the Inc. Common Stock Allocation.~~

148. ~~138.~~ **"Rights Offering Participation Units**" means units of rights to participate in the Rights Offering allocated Pro Rata among Holders of Existing Inc. Common ~~Share~~Stock Equity Interests and which, when exercised, will entitle the holder thereof to purchase certain Right Offering Shares effective as of the Effective Date.

149. "**Rights Offering Shares**" means the Inc. Common Stock allocated to the Rights Offering pursuant to the Inc. Common Stock Allocation.

150. ~~139.~~ "**Schedule of Rejected Agreements**" means the schedule of certain Executory Contracts and Unexpired Leases to be rejected by the Debtors pursuant to the Plan, which shall be filed as part of the Plan Supplement, as the same may be amended, modified, or supplemented from time to time.

151. ~~140.~~ "**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.

152. ~~141.~~ "**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.

153. ~~142.~~ "**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.

154. ~~143.~~ "**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.

155. ~~144.~~ "**Security**" has the meaning set forth in section 2(a)(1) of the Securities Act.

156. "**Subordinated Existing LP Preferred Units**" means any Existing LP Preferred Units held or controlled by Ergen Parties, except to the extent that the Bankruptcy Court, in a Final Order, Allows such Equity Interests on a non-subordinated basis.

157. "**Subordinated Prepetition LP Facility Claim**" means any Prepetition LP Facility Claim held or controlled by Ergen Parties, except to the extent that the Bankruptcy Court, in a Final Order, Allows such Claims on a non-subordinated basis.

158. ~~145.~~ "**Unexpired Lease**" means a lease to which one or more of the Debtors is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

159. ~~146.~~ "**Unimpaired**" means, with respect to a Class of Claims or Equity Interests, a Claim or an Equity Interest that is unimpaired within the meaning of section 1124 of the Bankruptcy Code.

160. ~~147.~~ "**U.S. Trustee**" means the United States Trustee for the Southern District of New York.

161. ~~148.~~ "**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.

162. ~~149.~~ "**Voting Deadline**" means November 29, 2013 at 4:00 p.m. (prevailing Pacific time), which is the date by which all completed Ballots must be received by the Claims and Solicitation Agent.

163. ~~150.~~ "**Voting Record Date**" means September 30, 2013. As set forth herein, Holders of Impaired Claims and Impaired Equity Interests as of the Voting Record Date shall be entitled to vote to accept or reject the Plan.

B. Rules of Interpretation

The following rules for interpretation and construction shall apply to this 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 assigned 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 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.

ARTICLE II.
ADMINISTRATIVE CLAIMS AND PRIORITY TAX CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Equity Interests set forth in Article III hereof.

A. Administrative Claims

Unless otherwise agreed to by the Holder of an Allowed Administrative Claim and the Debtors, with the consent of the Plan Proponent, each Holder of an Allowed Administrative Claim (other than of an Accrued Professional Compensation Claim and DIP Facility Claim), shall receive in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Administrative Claim, an amount of Cash equal to the amount of such Allowed Administrative Claim either: (1) on the Effective Date or as soon as practicable thereafter, or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter; (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 as reasonably practicable thereafter or, if not then due, when such Allowed Administrative Claim is due or as soon as reasonably practicable thereafter; (3) if the Allowed Administrative Claim is based on liabilities incurred by the Debtors in the ordinary course of their business 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 the Plan Proponent and the Holders of such Allowed Administrative Claim; or (5) at such other time and on such other terms set forth in an order of the Bankruptcy Court.

Except for Claims of Professionals and Governmental Units and DIP Facility Claims, and unless previously Filed, requests for payment of Administrative Claims must be Filed and served on the Debtors and the Plan Proponent no later than the Administrative ~~Claims~~Claim Bar Date pursuant to the procedures specified in the Confirmation Order and the notice of the occurrence of the Confirmation Date. Objections to such requests must be Filed and served on the Reorganized Debtors and the requesting party by the later of (a) one hundred and eighty (180) days after the Effective Date and (b) one hundred and eighty (180) days after the Filing of the applicable request for payment of Administrative Claims, if applicable.

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~~Claim Bar Date shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the 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 Debtors or the Reorganized Debtors or any action by the Bankruptcy Court.

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, the Debtors shall establish and fund the Professional Fee Escrow Account with Cash 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' Estates. 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 the Debtors for distribution in accordance with the Plan.

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 Plan Proponent and the Debtors 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, in consultation with the Plan Proponent, may estimate the unbilled fees and expenses of such Professional. The total amount so estimated 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 Reorganized Debtors shall, in the ordinary course of business and without any further notice to or action, order, or approval of the Bankruptcy Court, pay in Cash the reasonable legal, Professional, or other fees and expenses related to implementation and Consummation of the Plan incurred by the Debtors on or after the Confirmation 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 after such date shall terminate, and the Reorganized 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.

C. DIP Facility Claims

On or prior to the Effective Date, each Holder of a DIP Facility Claim, unless such Holder agrees to a less favorable treatment, shall receive in full and final satisfaction, settlement, release, and discharge of such Holder's DIP Facility Claim payment in full in Cash.

D. Plan Proponent Fees and Expenses

~~As soon as practicable following~~On the Effective Date, ~~without the need for further notice or Court approval,~~ the Reorganized Debtors shall pay all reasonable and documented fees and expenses incurred by the Plan Proponent in connection with ~~this Plan.~~these Chapter 11 Cases, including, without limitation, in connection with this Plan and relating to any financing contemplated hereunder; provided, however, that the Plan Proponent shall deliver to the Reorganized Debtors and the U.S. Trustee a written and reasonably documented invoice for its reimbursable fees and expenses and, unless the U.S. Trustee notifies the Plan Proponent and the Reorganized Debtors of an objection to payment of same within ten (10) business days of receiving such invoice, the Reorganized Debtors shall pay such invoice as soon as practicable. The Bankruptcy Court will adjudicate any disputes arising from the U.S. Trustee's objection to payment.

E. Priority Tax Claims

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to a less favorable 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, or as soon as reasonably practicable after, the Effective Date: (1) Cash in an amount equal to the amount of such Allowed Priority Tax Claim; (2) Cash in an amount agreed to by such Holder and the Debtors, with the consent of the Plan Proponent; or (3) at the option of the Debtors, with the consent of the Plan Proponent, Cash in an aggregate amount of 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, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtors or Reorganized Debtors 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.

ARTICLE III.
CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. Summary

The categories listed in Article III.B 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)(l) 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 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.

Although the Plan applies to all of the Debtors, (a) the Plan constitutes twenty (20) distinct chapter 11 plans, one for each Debtor; and (b) for voting purposes, each class will contain sub-classes for each of the Debtors. Notwithstanding the foregoing, the Plan Proponent ~~reserve~~reserves the right to seek approval of the Bankruptcy Court to consolidate any two or more Debtors for purposes of administrative convenience, provided that such consolidation does not materially and adversely impact the amount of distributions to any Person under the Plan.

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 - Prepetition Inc. Facility Claims

(a) *Classification*: Class 1 consists of all Prepetition Inc. Facility Claims.

(b) *Treatment*: In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Prepetition Inc. Facility Claim, on the Effective Date or as soon thereafter as practicable, except to the extent that a Holder of an Allowed Prepetition Inc. Facility Claim agrees to a less favorable treatment, each Holder of an Allowed Prepetition Inc. Facility Claim shall receive payment in full in Cash. In accordance with the New Equity Contribution, Harbinger has agreed to accept less favorable treatment on account of its Allowed Prepetition Inc. Facility Claims by foregoing the treatment in this Article III.B.1 in exchange for Inc. Common Stock.

(c) *Voting:* Class 1 is Unimpaired by the Plan. Each Holder of a Class 1 Prepetition Inc. Facility Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. No Holder of a Class 1 Prepetition Inc. Facility Claim is entitled to vote to accept or reject the Plan.

2. Class 2 - Prepetition LP Facility Claims

(a) Class 2A – Non-Subordinated Prepetition LP Facility Claims

(1) ~~(a)~~ *Classification*: Class 2A consists of all Prepetition LP Facility Claims, except to the extent classified in Class 2B.

(2) ~~(b)~~ *Treatment*: In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed ~~Prepetition LP Facility~~Class 2A Claim, on the Effective Date or as soon thereafter as practicable, except to the extent that a Holder of an Allowed

~~Prepetition LP Facility~~Class 2A Claim agrees to a less favorable treatment, each Holder of an Allowed ~~Prepetition LP Facility~~Class 2A Claim shall receive ~~its Pro Rata share of the New LP Facility Notes issued on the Effective Date~~(a) a Pro Rata share of the Prepetition LP Facility Cash Payment and (b) New First Lien Facility Notes in a principal amount equal to the amount (if any) by which such Holder's Allowed Class 2A Claim exceeds the amount of Cash received pursuant to preceding sub-clause (a); provided, however, that to the extent required by the terms of any Additional Exit Facility, if any, the foregoing treatment shall be modified, with the consent of requisite Exit Facility Lenders, to provide New Second Lien Facility Notes instead of New First Lien Facility Notes.

(3) *Voting*: Class 2A is Impaired by the Plan. Each Holder of a Class 2A Claim as of the Voting Record Date is entitled to vote to accept or reject the Plan; provided, however, that the foregoing shall be subject to the Plan Proponent's rights to seek to designate the votes of Ergen Parties holding Class 2A Claims.

(b) Class 2B – Subordinated Prepetition LP Facility Claims

(1) *Classification*: Subject to consent of requisite Exit Facility Lenders, Class 2B consists of all Subordinated Prepetition LP Facility Claims.

(2) *Treatment*: Subject to consent of requisite Exit Facility Lenders , in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Subordinated Prepetition LP Facility Claim, on the Effective Date or as soon thereafter as practicable, except to the extent that a Holder of an Allowed Subordinated Prepetition LP Facility Claim agrees to a less favorable treatment, each Holder of an Allowed Subordinated Prepetition LP Facility Claim shall receive payment in full through New Second Lien Facility Notes in a principal amount equal to its Allowed Subordinated Prepetition LP Facility Claim.

(3) ~~(c)~~ *Voting*: Class 2B is Impaired by the Plan. Each Holder of a Class 2B Subordinated Prepetition LP Facility Claim as of the Voting Record Date is entitled to vote to accept or reject the Plan; provided, however, that the foregoing shall be subject to the Plan Proponent's rights to seek to designate the votes of ~~certain Holders of~~Ergen Parties holding Class 2B Subordinated Prepetition LP Facility Claims.

3. Class 3 - Other Secured Claims

(a) *Classification*: Class 3 consists of all Other Secured Claims.

(b) *Treatment*: In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Other Secured Claim, on the Effective Date or as soon thereafter as practicable, except to the extent that a Holder of an Allowed Other Secured Claim agrees to a less favorable treatment, each Holder of an Allowed Other Secured Claim shall receive one of the following treatments, in the discretion of the Debtors, with the consent of the Plan Proponent, or the Reorganized Debtors, as applicable: (i) payment of such Allowed Other Secured Claim in full, in Cash; (ii) delivery of the collateral securing such Allowed 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 Other Secured Claim in any other manner such that the Allowed Other Secured Claim shall be rendered Unimpaired.

(c) *Voting*: Class 3 is Unimpaired by the Plan. Each Holder of a Class 3 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 Other Secured Claim is entitled to vote to accept or reject the Plan.

4. Class 4 – Other Priority Claims

(a) *Classification*: Class 4 consists of all Other Priority Claims.

(b) *Treatment*: In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Other Priority Claim, on the Effective Date or as soon thereafter as practicable, except to the extent that a Holder of an Allowed Other Priority Claim agrees to a less favorable treatment, each Holder of an Allowed Other Priority Claim shall receive payment in full, in Cash.

(c) *Voting*: Class 4 is Unimpaired by the Plan. Each Holder of a Class 4 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 4 Other Priority Claims is entitled to vote to accept or reject the Plan.

5. Class 5 – General Unsecured Claims

(a) *Classification*: Class 5 consists of all General Unsecured Claims.

(b) *Treatment*: In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed General Unsecured Claim, on the Effective Date or as soon thereafter as practicable, except to the extent that a Holder of an Allowed General Unsecured Claim agrees to a less favorable treatment, each Holder of an Allowed General Unsecured Claim

shall receive payment in Cash equal to the principal amount of such Holder's Allowed General Unsecured Claim.

(c) *Voting*: Class 5 is Impaired by the Plan. Each Holder of a Class 5 General Unsecured Claim as of the Voting Record Date is entitled to vote to accept or reject the Plan.

6. Class 6 – Intercompany Claims

(a) *Classification*: Class 6 consists of all Intercompany Claims.

(b) *Treatment*: On the Effective Date or as soon thereafter as practicable, each Allowed Intercompany Claim shall be Reinstated for the benefit of the Holder thereof. After the Effective Date, the Reorganized Debtors, in their sole discretion, shall have the right to resolve or compromise Allowed Intercompany Claims without further notice to or action, order, or approval of the Bankruptcy Court.

(c) *Voting*: Class 6 is Unimpaired by the Plan. Each Holder of a Class 6 Intercompany Claim is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. No Holder of a Class 6 Intercompany Claims is entitled to vote to accept or reject the Plan.

7. Class 7 – Existing LP Preferred Units Equity Interests

(a) Class 7A – Non-Subordinated Existing LP Preferred Units Equity Interests

(1) ~~(a)~~ *Classification*: Class 7A consists of all Existing LP Preferred Units Equity Interests, except to the extent classified in Class 7B.

(2) ~~(b)~~ *Treatment*: In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed ~~Existing LP Preferred Units~~Class 7A Equity Interest, on the Effective Date or as soon thereafter as practicable, except to the extent that a Holder of an Allowed ~~Existing LP Preferred Units~~Class 7A Equity Interest agrees to a less favorable treatment, each Allowed ~~Existing LP Preferred Units~~Class 7A Equity Interest shall receive payment in full ~~by distribution to such Holder~~through New Inc. Subordinated Facility Notes with a face value equal to the Preferred Payment Amount.

(3) ~~(c)~~ *Voting*: Class 7A is Impaired by the Plan. Each Holder of a Class 7 ~~Existing LP Preferred Units~~A Equity Interest as of the Voting Record Date is entitled to vote to accept or reject the Plan; provided, however, that the foregoing shall be subject to the Plan Proponent's rights to seek to designate the votes of ~~certain Holders~~

~~of~~Ergen Parties holding Class 7~~ Existing LP Preferred Units~~A Equity Interests.

(b) Class 7B – Subordinated Existing LP Preferred Units Equity Interests

(1) *Classification*: Subject to consent of requisite Exit Facility Lenders, Class 7B consists of all Subordinated Existing LP Preferred Units Equity Interests.

(2) *Treatment*: Subject to consent of requisite Exit Facility Lenders , Holders of Allowed Subordinated Existing LP Preferred Units Equity Interest shall not be entitled to any distribution or shall receive such other treatment directed by the Bankruptcy Court that is subordinate to the treatment of Class 7A Equity Interests.

(3) *Voting*: Class 7B is Impaired by the Plan. Each Holder of a Class 7B Subordinated Existing LP Preferred Units Equity Interest as of the Voting Record Date is deemed to reject the Plan.

8. Class 8 – Existing Inc. Preferred Stock Equity Interests

(a) *Classification*: Class 8 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 practicable, except to the extent that a Holder of an Allowed Existing Inc. Preferred Stock Equity Interest agrees to a less favorable treatment, each Allowed Existing Inc. Preferred Stock Equity Interest shall receive payment in full by distribution to such Holder New Inc. Subordinated Facility Notes with a face value equal to the Preferred Payment Amount.

(c) *Voting*: Class 8 is Impaired by the Plan. Each Holder of a Class 8 Existing Inc. Preferred Stock Equity Interest as of the Voting Record Date is entitled to vote to accept or reject the Plan.

9. Class 9 – Existing Inc. Common Stock Equity Interests

(a) *Classification*: Class 9 consists of all Existing Inc. Common Stock Equity Interests.

(b) *Treatment*: In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Existing Inc. Common Stock Equity Interest, on the Effective Date or as soon thereafter as practicable, except to the extent that a Holder of an Allowed Existing Inc. Common Stock Equity Interest agrees to a less favorable treatment, each Holder of an Allowed Existing Inc. Common Stock Equity Interest shall (i) retain its Pro ~~Rate~~Rata share of the Inc. Common Stock allocated to such Holders in the Inc. Common Stock Allocation and (ii) its Pro Rata share of the Rights Offering Participation Units.

(c) *Voting*: Class 9 is Impaired by the Plan. Each Holder of a Class 9 Existing Inc. Common Stock Equity Interests as of the Voting Record Date is entitled to vote to accept or reject the Plan.

10. Class 10 – Existing Inc. Warrants

(a) *Classification*: Class 10 consists of all Existing Inc. Warrants.

(b) *Treatment*: In full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Existing Inc. Warrants, on the Effective Date or as soon thereafter as practicable, except to the extent that a Holder of an Allowed Existing Inc. Warrant agrees to a less favorable treatment, each Holder of an Allowed Existing Inc. Warrant shall retain its Existing Inc. Warrants.

(c) *Voting*: Class 10 is Impaired by the Plan. Each Holder of a Class 10 Existing Inc. Warrant as of the Voting Record Date is entitled to vote to accept or reject the Plan.

11. Class 11 – Intercompany Interests

(a) *Classification*: Class 11 consists of all Intercompany Interests.

(b) *Treatment*: On the Effective Date or as soon thereafter as practicable, each Allowed Intercompany Interest shall be Reinstated for the benefit of the Holder thereof.

(c) *Voting*: Class 11 is Unimpaired by the Plan. Each Holder of a Class 10 Intercompany Interest is conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. No Holder of a Class 11 Intercompany Interests 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. Presumed Acceptance / Rejection of Plan

Classes 1, 3, 4, 6, at 11 are Unimpaired under the Plan. The Holders of Claims and Equity Interests in such Classes are conclusively presumed to have accepted the Plan and are not entitled to vote to accept or reject the Plan.

Subject to consent of requisite Exit Facility Lenders, Class 7B shall not be entitled to receive any distribution under the Plan and is deemed to reject the Plan.

2. Voting Classes

Classes ~~2,~~2A, 2B, 5, ~~7,~~7A, 8, 9 and 10 are Impaired under the Plan. 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.

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.

E. Elimination of Vacant Classes

Any Class of Claims or Equity Interests that does not have 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 date of the Confirmation Hearing, 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 Proponent may request Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code. The Plan Proponent reserve the right to alter, amend, modify, revoke, or withdraw this Plan or any

document in the Plan Supplement, including to amend or modify it to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary.

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. Restructuring Transactions

The Confirmation Order shall be deemed to authorize, among other things, the Restructuring Transactions. On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors 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, consolidation, or reorganization 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, or consolidation with the appropriate governmental authorities pursuant to applicable law; and (4) all other actions that the Plan Proponent or the Reorganized Debtors determine are necessary or appropriate.

B. Sources of Consideration for Plan Distributions

All consideration necessary for the Reorganized Debtors or Disbursing Agent to make payments or distributions pursuant hereto shall be obtained from proceeds of the Exit Facility, the Rights Offering, the New Equity Contribution, and the Debtors' or Reorganized Debtors' Cash on hand on the Effective Date.

C. Exit Facility

On the Effective Date, LightSquared Inc. and certain of its subsidiaries, as borrowers, and other Debtors, as guarantors, ~~shall~~may become party to, and be bound by the terms of, the Exit Facility in an amount of at least $550 million, which is sufficient, along with the other sources of consideration for plan distributions, to satisfy all obligations hereunder due on the Effective Date, including, without limitation, the payment in full in Cash of all Administrative Claims, the DIP Facility Claim (to the extent outstanding) and the Allowed Prepetition Inc. Facility Claims

(except those held by Harbinger) as well as funding of the New ~~LP~~First Lien Facility Interest Reserve.

Harbinger has reached agreement with the Exit Facility Lead Arranger and the Exit Facility Lenders concerning the terms and conditions of the Exit Facility, the material terms of which are as follows:

- The Exit Facility Lenders have committed to fund the Exit Facility on the Effective Date, in an amount of at least $550 million, maturing on the fifth anniversary of its funding. The amount of the Exit Facility may be increased above $550 million if additional lending commitments are provided and accepted by the Plan Proponent prior to the Effective Date.

    - The Exit Facility shall bear interest at a rate per annum equal to the Eurodollar Rate plus (i) 9.50% during the first year of the loan, (ii) 10.50% during the second year of the loan and (iii) 11.50% at all times thereafter. Interest during the first three years of the loan may be paid-in-kind, absent any event of default.

    - The Exit Facility shall be secured by Liens on substantially all of the assets of the Exit Facility Obligors *pari passu* with the Liens securing the New ~~LP~~First Lien Facility Notes and senior to all other Liens.

- The Exit Facility Lenders have agreed that, prior to the Effective Date, Harbinger may make available to the Debtors, subject to Bankruptcy Court approval and certain other limited conditions, $190 million of the Exit Facility as replacement debtor-in-possession financing, which (a) would be used to satisfy in full the DIP Facility Claims and to provide the Debtors with the funds necessary to continue their operations without disruption through June 30, 2014, (b) would accrue interest at an annual rate equal to LIBOR (with a floor of 2.00%) plus 14.00%, which interest shall be payable-in-kind absent any event of default, (c) would be (i) secured by Liens on the assets of the Inc. Debtors, junior to any existing Liens, but senior to Liens held by Harbinger to secure its Prepetition Inc. Facility Claims and (ii) entitled to administrative priority status in the Debtors' Chapter 11 Cases, provided that such Administrative Claims as against the LP Debtors shall be limited to the proceeds received by the LP Debtors from such financing, and (d) would be converted into a portion of the Exit Facility upon the Effective Date. The foregoing agreement by the Exit Facility Lenders required the Debtors to file a motion seeking approval of such replacement debtor-in-possession financing no later than December 1, 2013; however, Harbinger and the Exit Facility Lenders are discussing an extension of that and other related deadlines.

- In connection with the Exit Facility, Harbinger provided to the Exit Facility Lead Arranger and to the DIP and Exit Facility Lenders certain commitment fees in the form of cash payments and contractual obligations to issue interests in Inc. Common Stock. If all conditions precedent are met, it is possible that prior to the Effective Date Harbinger will issue options for at least 15.714% of the fully-diluted Inc. Common Stock. ~~The~~Subject to the Exit Facility Lenders' consent rights set forth herein, the DIP and Exit Facility Lenders will be obligated to support the Harbinger Plan. On the Effective Date, all such

options would be cancelled and terminated and New Warrants for at least 15.714% of the fully-diluted Inc. Common Stock would be issued to the DIP and Exit Facility Lenders (to the extent not previously received by the DIP and Exit Facility Lenders). The New Warrants, when issued, will entitle holders thereof to acquire fully diluted Inc. Common Stock, will be fully vested and immediately exercisable upon the Effective Date at an exercise price of $0.01 per share, will provide for the option of cashless exercise and will be subject to full ratchet anti-dilution protection.

Harbinger is exploring other and further potential sources for exit financing in the forms of the Additional Exit Facility, including, without limitation, by (a) amending the Exit Facility to increase the amount from $550 million to $1.0 billion and to remove the 25 MHz FCC approval condition and/or (b) obtaining financing from non-Exit Facility Lenders of at least $1.45 billion conditioned upon 20 MHz x 10 MHz FCC approval. Any Additional Exit Facility would be contingent upon consent of requisite Exit Facility Lenders.

D. 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 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 Liens, if any, granted to secure the Exit Facility, any New First Lien Facility Notes and ~~the~~any New ~~LP~~Second Lien Facility Notes) without further notice to, or action, order, or approval of, the Bankruptcy 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 Causes of Action without further notice to, or action, order, or approval of, the Bankruptcy Court or any other Entity and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

E. Issuance of Additional Inc. Common Stock

On the Effective Date or as soon as reasonably practicable thereafter, Reorganized ~~LightSquared~~Inc. shall issue additional shares of Inc. Common Stock pursuant to the Inc. Common Stock Allocation. The issuance of such Inc. Common Stock is authorized without the need for any further corporate action or without further notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

All of the Inc. Common Stock issued pursuant to the Plan shall be duly authorized, validly issued, and, if applicable, fully paid and non-assessable. Each distribution and issuance referred to in Article VI hereof shall be governed by the terms and conditions set forth herein applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance.

F. Issuance of New Warrants

On the Effective Date, Reorganized ~~Lightsquared~~Inc. will issue the New Warrants to the Exit Facility Lenders.

G. Section 1145 and Other Exemptions

Pursuant to section 1145 of the Bankruptcy Code, the offering, issuance, and distribution of additional Inc. Common Stock 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 and/or delivery of a prospectus prior to the offering, issuance, distribution, or sale of securities. In addition, under section 1145 of the Bankruptcy Code, any securities contemplated by the Plan and any and all agreements incorporated therein, including such Inc. Common Stock shall be subject to (1) 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 New Corporate Governance Documents; and (4) applicable regulatory approval, if any.

H. Listing of Inc. Common Stock; Reporting Obligations

The Reorganized Debtors shall not be: (a) obligated to list the Inc. Common Stock on a national securities exchange, (b) reporting companies under the Securities Exchange Act, (c) required to file reports with the Securities and Exchange Commission or any other entity or party, and/or (d) 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 New Corporate Governance Documents may impose certain trading restrictions, and the Inc. Common Stock shall be subject to certain transfer and other restrictions pursuant to the New Corporate Governance Documents.

I. New Shareholders Agreement

On the Effective Date, Reorganized ~~LightSquared~~Inc. shall enter into and deliver the New Shareholders Agreement in substantially the form included in the Plan Supplement. The Confirmation Order shall constitute an order of the Bankruptcy Court approving the New Shareholders Agreement and, upon the Effective Date, the New Shareholders Agreement shall be deemed to become valid, binding, and enforceable in accordance with its terms, and each holder of the Inc. Common Stock shall be bound thereby.

J. Cancellation of Securities and Agreements

On the Effective Date, except as otherwise specifically provided for in the Plan: (1) the obligations of the Debtors under the DIP Facility, the Prepetition Inc. Credit Agreement, and the Prepetition LP Credit Agreement 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 distributions under the Plan; provided, further that the preceding proviso shall not affect the discharge of Claims or Equity Interests pursuant to the Bankruptcy Code, the Confirmation Order, or the Plan or result in any expense or liability to the Reorganized Debtors.

K. 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: (1) rejection or assumption, as applicable, of Executory Contracts and Unexpired Leases; (2) selection of the managers and officers for the Reorganized Debtors; (3) execution of, and entry into~~,~~ the New ~~LP~~First Lien Facility Credit Agreement and the New Second Lien Facility Credit Agreement; (4) execution of, and entry into, the New Inc. Subordinated Facility Credit Agreement; (5) execution of, and entry into, the Exit Facility Credit Agreement; (6) execution of, and entry into, the New Corporate Governance Documents; (7) issuance and distribution of additional Inc. Common Stock as provided herein; and (8) 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 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, 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 (1) the New ~~LP~~First Lien Facility Credit Agreement and the New Second Lien Facility Credit Agreement, (2) the New Inc. Subordinated Facility Credit

Agreement, (3) the Exit Facility Credit Agreement, (4) the New Corporate Governance Documents, and (5) any and all other agreements, documents, securities, and instruments relating to the foregoing. The authorizations and approvals contemplated by this Article IV.J shall be effective notwithstanding any requirements under non-bankruptcy law.

L. Effectuating Documents; Further Transactions

On and after the Effective Date, the Reorganized Debtors and the officers and members of the boards of directors 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 or any other Entity.

M. Corporate Governance

As shall be set forth in the New Charter and New Bylaws, which shall be included in the Plan Supplement, the New Board shall consist of 7 members appointed as follows: (i) three (3) members shall be designated by Harbinger in its sole and absolute discretion and (ii) three (3) members shall be designated by Harbinger who (a) shall be independent in accordance with NYSE Rules and (b) shall not be officers, directors, employees or affiliates of Harbinger and (iii) the Reorganized Debtors' Chief Executive Officer.

In accordance with section 1129(a)(5) of the Bankruptcy Code, the Plan Proponent shall disclose at or prior to the Confirmation Hearing: (i) the identities and affiliations of any Person proposed to serve as a member of the New Board or officer of the Reorganized Debtors and (ii) 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.

N. 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 Reorganized 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. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the Reorganized Debtors' foregoing assumption of each of the unexpired D&O Liability Insurance Policies. Notwithstanding anything to the contrary contained in the Plan, 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, 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.

O. Indemnification Provisions in New Corporate Governance Documents

As of the Effective Date, the New Corporate Governance Documents shall provide for the indemnification, defense, reimbursement, exculpation, and/or limitation of liability of, and advancement of fees and expenses to, the Reorganized Debtors' current and former directors, officers, employees, or agents 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, asserted or unasserted, and none of the Reorganized Debtors shall amend and/or restate the New Corporate 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.

P. Corporate Existence

Except as otherwise provided in the Plan or as contemplated by the Restructuring Transactions, each Debtor shall continue to exist after the Effective Date as a separate corporate entity, limited liability company, partnership, or other form, as applicable, with all the powers of a corporation, limited 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 or any other Entity.

Q. 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, mortgage recording tax, Uniform Commercial Code filing or recording fee, FCC 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.

R. Employee and Retiree Benefits

Except as otherwise provided herein, on and after the Effective Date, the Reorganized Debtors may, but shall have no obligation 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 (including equity based and bonus compensation), health care benefits, disability benefits, deferred compensation benefits, travel benefits, savings, severance benefits, retirement benefits, welfare benefits, workers' compensation insurance, and accidental death and dismemberment insurance for the directors, officers, and employees of any of the Debtors who served in such capacity at any time; (2) distribute or reallocate any unused designated employee success fee and bonus funds related to Confirmation and Consummation in the ordinary course of their business; and (3) honor, in the ordinary course of business, Claims of 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. 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. As

of the Effective Date, any equity award, stock option, or similar plans shall be cancelled, including any such plans incorporated into any existing employment agreement.

S. Preservation 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 Causes of Actions 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. The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. 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 the Reorganized Debtors, as applicable. The applicable Reorganized Debtor, through its authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court. The Reorganized Debtors reserve and shall retain the foregoing Causes of Action notwithstanding the rejection or repudiation of any Executory Contract or Unexpired Lease during the Chapter 11 Cases or pursuant to the Plan.

ARTICLE V.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases

1. Assumption of Executory Contracts and Unexpired Leases

Except as otherwise provided herein, each Executory Contract and Unexpired Lease shall be deemed automatically assumed 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 Rejected Agreements in the Plan Supplement; (b) has been previously assumed or rejected by the Debtors by Final Order of the Bankruptcy Court or has been assumed 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 or reject pending as of the Effective Date or (d) is otherwise rejected pursuant to the terms herein.

The Confirmation Order shall constitute an order of the Bankruptcy Court approving such assumptions pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date. With respect to each such assumed Executory Contract and Unexpired Lease, the Plan Proponent shall have designated a proposed amount of the Cure Costs pursuant to Article V.C. hereof, and the assumption of such Executory Contract and Unexpired Lease may be conditioned upon the disposition of all issues with respect to such Cure Costs. Any and all Proofs of Claim based upon Executory Contracts or Unexpired Leases that have been assumed in the Chapter 11 Cases, including hereunder, except Proofs of Claim asserting Cure Costs pursuant to the order approving such assumption, 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.

2. Rejection of Executory Contracts and Unexpired Leases

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

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 Debtors' Executory Contracts and Unexpired Leases shall be classified as General Unsecured Claims against the Debtors and shall be treated in accordance with Article III.B.5 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 pursuant hereto, all Cure Costs shall be satisfied, at the option of the Plan Proponent, by payment of the Cure Costs in Cash on the Effective Date or as soon as reasonably practicable thereafter or 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 or any other Entity.

At least ten (10) calendar days prior to the Confirmation Hearing, the Plan Proponent shall file with the Bankruptcy Court and serve upon counterparties to such Executory Contracts and Unexpired Leases, a notice of the proposed assumption which shall: (1) list the applicable

Cure Costs, if any; (2) describe the procedures for filing objections to the proposed assumption or Cure Costs; and (3) explain 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 a proposed assumption or Cure Costs must be Filed, served, and actually received by the Plan Proponent and the Debtors at least five (5) days prior to the Confirmation Hearing. Any counterparty to an Executory Contract or Unexpired Lease that fails to timely object to the proposed assumption and Cure Costs shall be deemed to have assented to such assumption and Cure Costs, as applicable.

In the event of a dispute regarding: (1) the amount of any Cure Costs; (2) the ability of the Reorganized Debtors or any assignee, as applicable, 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 (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 of such Executory Contract or Unexpired Lease; provided, however, that the Plan Proponent or Reorganized Debtors, 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 or any other Entity; provided, further, that notwithstanding anything to the contrary herein, prior to the Effective Date or such other date as determined by the Bankruptcy Court and prior to the entry of a Final Order resolving any dispute and approving the assumption and assignment of such Executory Contract or Unexpired Lease, the Plan Proponent reserve the right to cause the Debtors to reject any Executory Contract or Unexpired Lease which is subject to dispute.

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 Executory Contract or Unexpired Lease at any time prior to the effective date of assumption and/or 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, 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 contracting Debtors or the Reorganized Debtors, as applicable, 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 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.

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

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed 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. Reservation of Rights

Neither the exclusion nor inclusion of any contract or lease by the Plan Proponent on any exhibit to the Plan Supplement, nor anything contained in the Plan, shall constitute an admission 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 Plan Proponent or the Reorganized Debtors, as applicable, reserve the right to alter, amend, modify, or supplement the Schedule of Rejected 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 or with respect to asserted Cure Costs, then the Plan Proponent or the Reorganized Debtors, as applicable, shall have thirty (30) days following the entry of a Final Order resolving such dispute to amend their decision to assume such Executory Contract or Unexpired Lease.

H. 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 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 Agent, the Prepetition Inc. Agent, and/or the Prepetition LP Agent, 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. Neither the Plan Proponent nor the Debtors shall have any obligation to recognize any transfer of the Claims or Equity Interests occurring on or after the Distribution Record Date. The Plan Proponent and the Debtors 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, on the Effective Date or as soon as reasonably practicable thereafter (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 as reasonably practicable thereafter), each Holder of an Allowed Claim or an Allowed Equity Interest shall receive the full amount of the distribution that such Holder is entitled to pursuant to the Plan; provided 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 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. The New ~~LP~~First Lien Facility Notes, the New Second Lien Facility Notes, the New Inc. Subordinated Facility Notes, the New Warrants and any Inc. Common Stock issued on the Effective Date shall be deemed to be issued as of the Effective Date to the eligible Holders of Claims and/or Equity Interests and other Entities entitled to receive such instruments hereunder without the need for further action by any Debtor, Disbursing Agent, Reorganized Debtors, or any other Entity, including, without limitation, the issuance and/or delivery of any certificate evidencing any such shares, units, or interests, as applicable. Except as otherwise provided herein, the eligible Holders of Claims and/or Equity Interests and other Entities entitled to receive the New ~~LP~~First Lien Facility Notes, the New Second Lien Facility Notes, the New Inc. Subordinated Facility Notes, the New Warrants or Inc. Common Stock hereunder shall not be entitled to interest, dividends, or accruals on the distributions provided for herein, regardless of whether such distributions are delivered on or at any time after the Effective Date. The Reorganized Debtors are authorized to make periodic distributions on account of Allowed Claims and Allowed Equity Interests and, if such periodic distributions are made, the Debtors shall reserve Cash, the New ~~LP~~First Lien Facility Notes, New Second Lien Facility Notes, the New Inc. Subordinated Facility Notes or Inc. Common Stock, as applicable, from distributions to applicable Holders equal to the 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 distributions under the Plan shall be made by the Reorganized Debtors as Disbursing Agent or such other Entity designated by the Reorganized Debtors as a Disbursing Agent. 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 the Reorganized Debtors and such Disbursing Agent.

Distributions of ~~the New LP Facility Notes and the New Inc. Subordinated Facility Notes~~(a) Cash provided by Article III.B.1 hereof to Holders of Allowed Prepetition Inc. Facility Claims shall be made by the Reorganized Debtors, on the Effective Date, ~~to the New LP Facility Agent and the~~ to the Prepetition Inc. Agent for the benefit of such Holders, (b) the New First Lien Facility Notes to Holders of Allowed Prepetition LP Facility Claims shall be made by the Reorganized Debtors, on the Effective Date, to the New First Lien Facility Agent for the benefit of such Holders, (c) the New Second Lien Facility Notes to Holders of Allowed Prepetition LP Facility Claims shall be made by the Reorganized Debtors, on the Effective Date, to the New Second Lien Facility Agent for the benefit of such Holders and (d) of New Inc. Subordinated Facility ~~Agent, respectively, for the benefit of~~Notes to the Holders of ~~Allowed Prepetition Inc. Facility Claims, Allowed Prepetition LP Facility Claims,~~ Allowed Existing LP Preferred Units Equity Interests~~,~~ and Allowed Existing Inc. Preferred Stock Equity Interests shall be made by the Reorganized Debtors, on the Effective Date, to the New Inc. Subordinated Facility Agent for the benefit of such Holders. Distributions of Cash to the Holders of Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Secured Claims, Allowed Other Priority Claims, and Allowed General Unsecured Claims shall be made by the Debtors or the Reorganized Debtors to the Disbursing Agent for the benefit of the Holders of such Allowed Claims. Distributions of Inc. Common Stock shall be made by the Reorganized Debtors to the Disbursing Agent pursuant to the Inc. Common Stock Allocation.

All distributions by the Disbursing Agent shall be at the discretion of the Reorganized Debtors, and the Disbursing Agent shall not have any liability to any Entity for 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 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 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 the Reorganized Debtors.

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

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

Distributions made after the Effective Date to Holders of Claims and 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 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: (a) no partial payments and no partial 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 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 and the Disputed Claims or Disputed Equity Interests have been Allowed.

F. Delivery of Distributions and Undeliverable or Unclaimed Distributions

1. Delivery of Distributions in General

Except as otherwise provided herein, the Disbursing Agent shall make distributions to Holders of Allowed Claims and Allowed Equity Interests at the address for each such Holder as indicated on the Reorganized Debtors' records as of the date of any such distribution; provided that the manner of such distributions shall be determined at the discretion of the Reorganized Debtors; 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.

2. Delivery of Distributions to Holders of Allowed DIP Facility Claims

The distributions provided for the Allowed DIP Facility Claims pursuant to Article II.C hereof shall be made to the DIP Agent.

~~3. Delivery of Distributions to Holders of Allowed Prepetition Inc. Facility Claims~~

~~The distribution provided by Article III.B.1 hereof shall be made to the Prepetition Inc. Agent.~~

~~4. Delivery of Distributions to Holders of Allowed Prepetition LP Facility Claims~~

~~The distribution provided by Article III.B.2 hereof shall be made to the Prepetition LP Agent. To the extent possible, the Debtors and the Disbursing Agent shall provide that the applicable New LP Facility Notes are eligible to be distributed to Prepetition LP Lenders at the direction of the Prepetition LP Agent.~~

3. ~~5.~~ Minimum Distributions

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

4. ~~6.~~ Undeliverable Distributions and Unclaimed Property

In the event that any distribution to any Holder is returned as undeliverable, no 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 distribution shall be made to such Holder without interest; provided, however, that such distributions 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 the Reorganized Debtors (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 shall comply with all tax withholding and reporting requirements imposed on them by any governmental unit, and all 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 distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to allocate all distributions made

under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, Liens, and encumbrances.

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 the consideration exceeds the principal amount of the Claims, to any portion of such Claims for accrued but unpaid interest.

H. Setoffs

Except as otherwise expressly provided for in the Plan, each Reorganized Debtor pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the Holder of a Claim or Equity Interest, may set off against any Allowed Claim or Allowed Equity Interest and the distributions to be made pursuant to the Plan on account of such Allowed Claim or Equity Interest (before any distribution is made on account of such Allowed Claim or Equity Interest), any claims, rights, and Causes of Action of any nature that such Debtor or Reorganized Debtor, as applicable, may hold against the Holder of such Allowed Claim or Equity Interest, to the extent such claims, rights, or Causes of Action against such Holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided that, neither the failure to effect such a setoff nor the allowance of any Claim or Equity Interest pursuant to the Plan shall constitute a waiver or release by such Reorganized Debtor of any such claims, rights, and Causes of Action that such Reorganized Debtor may possess against such Holder. In no event shall any Holder of Claims or Equity Interests be entitled to set off any Claim or Equity Interest against any claim, right, or Cause of Action of the Debtor or Reorganized Debtor, as applicable, unless such Holder has Filed a motion with the Bankruptcy Court requesting the authority to perform such setoff on or before the Confirmation Date, and notwithstanding any indication in any Proof of Claim or Equity Interest or otherwise that such Holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 or otherwise.

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 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. Subject to the last sentence of this paragraph, to the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from an Entity that is not a Debtor or a Reorganized Debtor on account of such Claim, such Holder shall, within two (2) weeks of receipt thereof, repay or return the distribution to the applicable Reorganized Debtor, to the extent 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 distribution under the Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the applicable Reorganized Debtor annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the two (2)-week grace period specified above until the amount is repaid.

2. Claims Payable by Third Parties

No 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 or any other Entity.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors, the Reorganized Debtors, or any other Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such 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 the Debtors had with respect to any Claim and Equity Interest immediately prior to the Effective Date, including the Causes of Action referenced in Article IV.T 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.5 hereof or the Bankruptcy Code.

B. Claims and Equity Interests Administration Responsibilities

Except as otherwise provided in the Plan, after the Effective Date, the Reorganized Debtors shall have the sole and exclusive authority: (1) to File, withdraw, or litigate to judgment, objections to Claims or Equity Interests; (2) to settle or compromise any Disputed Claim or Disputed Equity Interest without any further notice to, or action, order, or approval of, the Bankruptcy Court or any other Entity; and (3) to 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 or any other Entity.

C. Estimation of Claims

Before the Effective Date, the Plan Proponent, and after the Effective Date, the Reorganized Debtors may at any time request that the Bankruptcy Court estimate (1) any Disputed Claim pursuant to applicable law and (2) any contingent or unliquidated Claim 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 whether the Bankruptcy Court has ruled on any such objection.

The Bankruptcy Court shall retain jurisdiction to estimate any Claim, any group of Claims, and/or any Class of Claims, 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, that estimated amount shall constitute either (a) the Allowed amount of such Disputed Claim, (b) a maximum limitation on such Disputed Claim, or (c) in the event such Disputed Claim is estimated in connection with the estimation of other Claims within the same Class, a maximum limitation on the aggregate amount of Allowed Claims on account of such Disputed Claims so estimated, in each case for all purposes under the Plan (including for purposes of distributions); provided that the Plan Proponent may elect to pursue supplemental proceedings to object to any ultimate allowance of any Disputed Claim and any ultimate distribution on such Claim. Notwithstanding any provision in the Plan to the contrary, a Claim that has been disallowed or expunged from the Claims Register 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 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 is estimated.

All of the aforementioned Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Bankruptcy Court.

D. Expungement or Adjustment to Claims Without Objection

Any Claim that has been paid, satisfied, superseded, or compromised in full may be expunged on the Claims Register by the Reorganized Debtors, and any Claim that has been amended may be adjusted thereon by the Reorganized Debtors, in both cases without a claims objection having to be Filed and without any further notice to, or action, order, or approval of, the Bankruptcy Court or any other Entity. Additionally, any Claim that is duplicative or redundant with another Claim against the same Debtor may be adjusted or expunged on the Claims Register by the Reorganized Debtors without a Claims objection having to be Filed and without any further notice to, or action, order, or approval of, the Bankruptcy Court or any other Entity.

E. No Interest

Unless otherwise specifically provided for in the Plan or agreed to by the Plan Proponent, the Confirmation Order, or a postpetition agreement in writing between the Debtors and a Holder of a Claim, 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, 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 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

Any objections to Claims shall be Filed no later than the Claims Objection Bar Date.

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, shall be deemed disallowed pursuant to section 502(d) of the Bankruptcy Code, and Holders of such Claims and Equity Interests may not receive any distributions on account of such Claims and 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 due, if any, to the Debtors by 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 OR ANY OTHER ENTITY, AND HOLDERS OF SUCH CLAIMS MAY NOT RECEIVE ANY 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 the Reorganized Debtors, 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 or any other Entity.

I. Claims and Equity Interests Held by Ergen Parties

Notwithstanding anything herein to the contrary, no Claims or Equity Interests held by Ergen Parties shall be Allowed absent further Order of the Bankruptcy Court entered in connection with the Ergen Adversary and/or any other proceeding or contested matter addressing the allowance of such Claims or Equity Interests.

Harbinger hereby seeks (a) to disallow all Prepetition LP Facility Claims held or controlled by or for the benefit of Ergen Parties and to subordinate any such Claims to other Prepetition LP Facility Claims and (b) to disallow all Existing LP Preferred Units held or controlled by or for the benefit of Ergen Parties and to subordinate any such Equity Interests, and any rights or interests related to or arising from such Equity Interests, to other Claims or Equity Interests of the Debtors.

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 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.10 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 and 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 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 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 distributions and treatments under the Plan take into account and conform 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(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Reorganized Debtors reserve the right to re-classify any Allowed Claim or Equity Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

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 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 distribution 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, 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 and Equity Interests and is fair, equitable, and reasonable. Distributions made to Holders of Allowed Claims and 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 or any other Entity, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against them, Equity Interests, and Causes of Action against other Entities.

D. 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 exculpated Claim, except for willful misconduct (including fraud) ~~or~~, gross negligence, criminal conduct or professional malpractice, 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.

E. Injunction

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 discharged pursuant to Article VIII.A hereof or are subject to exculpation pursuant to Article VIII.D 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 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.

F. 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, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, 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 Secured Claim Holder.

G. Universal Service Administrative Company's Rights and Claims

Notwithstanding anything to the contrary contained in this Plan, the Confirmation Order and/or any document or instrument entered into in respect thereof, no term(s) or provision(s) contained in the foregoing shall (a) effect a release, discharge or otherwise preclude or prohibit any claim whatsoever against any Debtor and/or Reorganized Debtor by or on behalf of the Universal Service Administrative Company or its agents (collectively, "**USAC**"), including, without limitation, any claims (i) arising under 47 C.F.R. Part 54, (ii) relating to audits that may be performed by USAC to examine any Debtors' and/or Reorganized Debtors' compliance with universal service support program eligibility requirements, to confirm the accuracy of any Debtors' and/or Reorganized Debtors' data submissions and to review any Debtors' and/or Reorganized Debtors' overall compliance with program rules promulgated by the FCC, (iii) for setoff or recoupment, and/or (iv) resulting from or relating to orders issued by the FCC (collectively, "**USAC Claims**"), (b) enjoin USAC from bringing any suit, action, claim or other proceeding against any Debtor and/or Reorganized Debtor for any liability arising from or related to the USAC Claims or (c) exculpate any Debtor and/or Reorganized Debtor from any liability to USAC arising from or related to any USAC Claim.

ARTICLE IX.
CONDITIONS PRECEDENT TO EFFECTIVE DATE OF PLAN

A. 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 pursuant to the provisions of Article IX.B hereof:

1. The Confirmation Order shall have been entered in a form and in substance reasonably satisfactory to the Plan Proponent.

2. The Plan shall have been recognized in Canada.

3. The Rights Offering shall have been completed in a manner acceptable to the Plan Proponent.

4. The New ~~LP~~First Lien Facility Credit Agreement, in form and substance acceptable to the Plan Proponent, 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 the incurrence of obligations pursuant to the New ~~LP~~First Lien Facility Notes shall have occurred.

5. The New Second Lien Facility Credit Agreement, in form and substance acceptable to the Plan Proponent, 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 the incurrence of obligations pursuant to the New Second Lien Facility Notes shall have occurred.

6. ~~5.~~ The New Inc. Subordinated ~~Notes~~Facility Credit Agreement, in form and substance acceptable to the Plan Proponent, 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 the incurrence of obligations pursuant to the New Inc. Subordinated Facility Notes shall have occurred.

7. ~~6.~~ The Exit Facility Credit Agreement, in form and substance acceptable to the Plan Proponent, 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.

8. ~~7.~~ The final version of the Plan Supplement and all of the schedules, documents, and exhibits contained therein shall have been Filed in form and substance reasonably acceptable to the Plan Proponent, without prejudice to the Reorganized Debtors' rights under the Plan to alter, amend, or modify certain of the schedules, documents, and exhibits contained in the Plan Supplement; provided, however, that each such altered, amended, or modified schedule, documents, or exhibit shall be in form and substance acceptable to the Plan Proponent and the Reorganized Debtors.

9. ~~8.~~ All necessary actions, documents, certificates, and agreements necessary to implement this 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.

10. ~~9.~~ The FCC shall have granted new or modified authorizations to the Debtors to permit access to at least 25 MHz of spectrum for terrestrial use.

B. Waiver of Conditions

The conditions to the Effective Date of the Plan set forth in this Article IX.A may be waived by the Plan Proponent, without notice to, or action, order, or approval of, the Bankruptcy 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 and/or in the Exit Facility, the Plan Proponent 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, the Plan Proponent expressly reserve the right to revoke or withdraw, or, 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 to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation 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 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

Subject to the Exit Facility, the Plan Proponent reserve the right to revoke or withdraw the Plan with respect to one or more of the Debtors prior to the Confirmation Date or the Effective Date and to file subsequent plans of reorganization. If the Plan Proponent revoke or withdraw the Plan with respect to any Debtor, or if Confirmation or Consummation does not occur with respect to any Debtor, then: (1) the Plan with respect to such Debtor shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan with respect to such Debtor (including the fixing or limiting to an amount certain of any Claims or Equity Interests or Class of Claims or Equity Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan with respect to such Debtor, and any document or agreement executed pursuant to the Plan with respect to such Debtor, shall be deemed null and void in all respects; and (3) nothing contained in the Plan or the Disclosure Statement with respect to such Debtor shall: (a) constitute a waiver or release of any Claims or Equity Interests in any respect; (b) prejudice in any manner the rights of Plan Proponent, any Debtor or any other Entity in any respect; or (c) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Plan Proponent, any Debtor or any other Entity in any respect.

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 related 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 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 related to the granting and denying, in whole or in part, 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 related to: (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; (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; and (d) any dispute regarding whether a contract or lease is or was executory or unexpired;

4. Ensure that 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. Enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

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 Consummation or enforcement of the Plan;

12. Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the exculpations, injunctions, and other provisions contained in Article VIII hereof and enter

such orders as may be necessary or appropriate to implement such exculpations, 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 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 distributions under the Plan or any transactions contemplated therein;

19. 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;

20. Hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with the Plan;

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.A 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, and the Confirmation 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 and 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 Proponent 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 Plan Proponent, the Debtors or the Reorganized Debtors, as applicable, and all Holders of Claims or Equity Interests receiving 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. Payment of Statutory Fees

All fees payable pursuant to section 1930(a) of the Judicial Code (including U.S. Trustee Fees), as determined by the Bankruptcy Court, shall be paid for each quarter (including any fraction thereof) until the first to occur of the Chapter 11 Cases being converted, dismissed, or closed.

D. 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 Plan Proponent 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 the Plan Proponent or any Debtor with respect to the Holders of Claims or Equity Interests prior to the Effective Date.

E. Successors and Assigns

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.

F. 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 Ad Hoc Secured Group of Prepetition LP Lenders or any members thereof, shall be served on:

White & Case LLP
Thomas E Lauria
Glenn M. Kurtz
1155 Avenue of the Americas
New York, NY 10036

the DIP ~~Inc.~~ Agent, the Prepetition Inc. Agent, or the Prepetition Inc. Lenders, shall be served on:

Akin, Gump, Strauss, Hauer & Feld LLP
Philip C. Dublin
Kenneth A. Davis
One Bryant Park
New York, NY 10036

Harbinger Capital Partners LLC or its affiliates, shall be served on:

Kasowitz, Benson, Torres & Friedman LLP
David M. Friedman
Adam L. Shiff
Daniel A. Fliman
Matthew B. Stein
1633 Broadway
New York, NY 10019

the Exit Facility Lenders, shall be served on:

Bingham McCutchen LLP
Jeffrey S. Sabin
399 Park Avenue
New York, NY 10022

After the Effective Date, the Reorganized Debtors have authority to send a notice to Entities that to continue to receive documents pursuant to Bankruptcy Rule 2002, they must file a renewed request to receive documents pursuant to Bankruptcy Rule 2002. 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 such renewed requests.

G. Term of Injunctions or Stays

Unless otherwise provided in the Plan or in the Confirmation 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, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

H. 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 Debtors' 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.

I. Entire Agreement

Except as otherwise indicated, the Plan and the Plan Supplement 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.

J. 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 Plan Proponent' consent; and (3) non-severable and mutually dependent.

K. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Plan Proponent 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 Plan Proponent 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.

L. 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.

M. 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), conflict with or are 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.

Dated: ~~October 7,~~December 11, 2013
New York, New York

By: /s/ David M. Friedman
David M. Friedman
Adam L. Shiff
Daniel A. Fliman
Matthew B. Stein
KASOWITZ, BENSON, TORRES
& FRIEDMAN LLP
1633 Broadway
New York, New York 10019
Telephone: (212) 506-1700
Facsimile: (212) 506-1800

Attorneys for Harbinger Capital Partners LLC

Document comparison by Workshare Professional on Wednesday, December 11, 2013 10:13:51 PM

Input:	
Document 1 ID	PowerDocs://NYC/2733639/1
Description	NYC-#2733639-v1-10.7_FILED_VERSION_OF_PLAN
Document 2 ID	PowerDocs://NYC/2779246/2
Description	NYC-#2779246-v2-12.11_Second_Amended_Plan
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
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Insertions	259
Deletions	338
Moved from	19
Moved to	19
Style change	0
Format changed	0
Total changes	635

EXHIBIT 4

THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF A CHAPTER 11 PLAN. THIS DISCLOSURE STATEMENT IS SUBMITTED FOR APPROVAL BUT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT. SOLICITATION OF ACCEPTANCES OR REJECTIONS MAY NOT OCCUR UNTIL THE BANKRUPTCY COURT APPROVES THE DISCLOSURE STATEMENT.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

~~FIRST AMENDED~~ SPECIFIC DISCLOSURE STATEMENT FOR THE SECOND AMENDED JOINT PLAN OF REORGANIZATION FOR LIGHTSQUARED INC. AND ITS SUBSIDIARIES PROPOSED BY HARBINGER CAPITAL PARTNERS, LLC

KASOWITZ, BENSON, TORRES & FRIEDMAN LLP
David M. Friedman
Adam L. Shiff
Daniel A. Fliman
Matthew B. Stein
1633 Broadway
New York, New York 10019
(212) 506-1700

Counsel for Harbinger Capital Partners, LLC

Dated: ~~October 9,~~December 11, 2013
New York, New York

[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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I.

INTRODUCTION[2]

THE INFORMATION CONTAINED IN THIS SPECIFIC DISCLOSURE STATEMENT ("HARBINGER SPECIFIC DISCLOSURE STATEMENT") FOR THE SECOND AMENDED JOINT PLAN OF REORGANIZATION FOR LIGHTSQUARED INC. AND ITS SUBSIDIARIES ("HARBINGER PLAN") PROPOSED BY HARBINGER CAPITAL PARTNERS, LLC ("HARBINGER" OR "PLAN PROPONENT") IS INCLUDED HEREIN FOR PURPORSES OF SOLICITING ACCEPTANCES OF THE ~~JOINT PLAN OF REORGANIZATION FOR LIGHTSQUARED INC. AND ITS SUBSIDIES PROPOSED BY HARBINGER CAPITAL PARTNERS, LLC ("HARBINGER PLAN")~~HARBINGER PLAN, AS MAY BE MODIFIED, AMENDED, AND/OR SUPPLEMENTED FROM TIME TO TIME AND MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON THE HARBINGER PLAN. NO SOLICITATION OF VOTES TO ACCEPT THE HARBINGER PLAN MAY BE MADE EXCEPT PURSUANT TO SECTION 1125 OF TITLE 11 OF THE UNITED STATES CODE ("BANKRUPTCY CODE"). CERTAIN LANGUAGE OR SECTIONS CONTAINED IN THIS HARBINGER SPECIFIC DISCLOSURE STATEMENT REFLECT ONLY THE UNDERSTANDINGS OR OPINIONS OF HARBINGER.

ALL CREDITORS AND INTEREST HOLDERS ENTITLED TO VOTE ON THE HARBINGER PLAN ARE ADVISED AND ENCOURAGED TO READ THE FIRST AMENDED GENERAL DISCLOSURE STATEMENT , DATED OCTOBER 7, 2013 FILED BY THE DEBTORS [DKT. NO. 918] ("GENERAL DISCLOSURE STATEMENT" AND TOGETHER WITH THE HARBINGER SPECIFIC DISCLOSURE STATEMENT, "JOINT DISCLOSURE STATEMENT"), THE HARBINGER SPECIFIC DISCLOSURE STATEMENT, AND THE HARBINGER PLAN **IN THEIR ENTIRETY** BEFORE VOTING TO ACCEPT OR REJECT THE HARBINGER PLAN OR ANY OTHER PLAN FILED IN THESE CASES (COLLECTIVELY, "COMPETING PLANS"). ALL CREDITORS AND EQUITY INTEREST HOLDERS ENTITLED TO VOTE ON THE HARBINGER PLAN SHOULD CAREFULLY READ AND CONSIDER FULLY THE RISK FACTORS SET FORTH IN ARTICLE V OF THE GENERAL DISCLOSURE STATEMENT AND ARTICLE V OF THE HARBINGER SPECIFIC DISCLOSURE STATEMENT BEFORE VOTING TO ACCEPT OR REJECT THE HARBINGER PLAN OR ANY COMPETING PLAN. A COPY OF THE HARBINGER PLAN IS ATTACHED HERETO AS EXHIBIT A. SUMMARIES AND STATEMENTS IN THE HARBINGER SPECIFIC DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE HARBINGER PLAN AND THE EXHIBITS ANNEXED TO THE HARBINGER PLAN. THE STATEMENTS CONTAINED IN THE HARBINGER SPECIFIC DISCLOSURE STATEMENT 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 THE DATE HEREOF. IN THE EVENT OF ANY CONFLICT BETWEEN THE DESCRIPTIONS

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[2] Terms not otherwise defined herein shall have the meanings ascribed to such terms in the Harbinger Plan.

SET FORTH IN THE GENERAL DISCLOSURE STATEMENT, THE HARBINGER SPECIFIC DISCLOSURE STATEMENT AND THE TERMS OF THE HARBINGER PLAN, THE TERMS OF THE HARBINGER PLAN WILL GOVERN.

THE HARBINGER SPECIFIC 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 NECESSARILY IN ACCORDANCE WITH NON-BANKRUPTCY LAW.

CERTAIN STATEMENTS CONTAINED IN THE HARBINGER SPECIFIC DISCLOSURE STATEMENT ARE BASED, AT LEAST IN PART, ON ESTIMATES AND ASSUMPTIONS OBTAINED DIRECTLY FROM THE DEBTORS, AS SET FORTH IN THE GENERAL DISCLOSURE STATEMENT. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL BE REFLECTIVE OF ACTUAL OUTCOMES. FORWARD-LOOKING STATEMENTS ARE PROVIDED IN OR ADOPTED BY THE HARBINGER SPECIFIC DISCLOSURE STATEMENT PURSUANT TO THE SAFE HARBOR ESTABLISHED UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND SHOULD BE EVALUATED IN THE CONTEXT OF THE ESTIMATES, ASSUMPTIONS, UNCERTAINTIES, AND RISKS DESCRIBED HEREIN AND IN THE GENERAL DISCLOSURE STATEMENT.

FURTHER, YOU ARE CAUTIONED THAT ANY FORWARD-LOOKING STATEMENTS HEREIN ARE BASED ON ASSUMPTIONS THAT ARE BELIEVED TO BE REASONABLE, BUT ARE SUBJECT TO A WIDE RANGE OF RISKS INCLUDING, BUT NOT LIMITED TO, RISKS ASSOCIATED WITH (~~1~~I) FUTURE FINANCIAL RESULTS AND LIQUIDITY, INCLUDING THE ABILITY TO FINANCE OPERATIONS IN THE NORMAL COURSE, (II) VARIOUS FACTORS THAT MAY AFFECT THE VALUE OF THE DEBT AND EQUITY RETAINED AND/OR ISSUED UNDER THE HARBINGER PLAN, (III) THE RELATIONSHIPS WITH AND PAYMENT TERMS PROVIDED BY TRADE CREDITORS, (IV) ADDITIONAL FINANCING REQUIREMENTS POST-RESTRUCTURING, (V) FUTURE DISPOSITIONS AND ACQUISITIONS, (VI) THE EFFECT OF COMPETITIVE PRODUCTS, SERVICES OR PRICING BY COMPETITORS, (VII) THE PROPOSED RESTRUCTURING COSTS AND COSTS ASSOCIATED THEREWITH, (VIII) THE ABILITY TO OBTAIN RELIEF FROM THE BANKRUPTCY COURT TO FACILITATE THE SMOOTH OPERATION UNDER CHAPTER 11, (IX) THE CONFIRMATION AND CONSUMMATION OF THE HARBINGER PLAN, AND (X) EACH OF THE OTHER RISKS IDENTIFIED HEREIN AND IN THE GENERAL DISCLOSURE STATEMENT. DUE TO THESE UNCERTAINTIES, YOU CANNOT BE ASSURED THAT ANY FORWARD-LOOKING STATEMENTS WILL PROVE TO BE CORRECT. THE PLAN PROPONENT IS UNDER NO OBLIGATION TO (AND EXPRESSLY DISCLAIMS ANY OBLIGATION TO) UPDATE OR ALTER ANY FORWARD-LOOKING STATEMENTS WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS, OR OTHERWISE, UNLESS INSTRUCTED TO DO SO BY THE BANKRUPTCY COURT.

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS, AND OTHER ACTIONS OR THREATENED ACTIONS, THE HARBINGER SPECIFIC DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF

ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS. THE HARBINGER SPECIFIC DISCLOSURE STATEMENT WILL NOT BE ADMISSIBLE IN ANY NON-BANKRUPTCY PROCEEDING INVOLVING THE DEBTORS, THE PLAN PROPONENT OR ANY OTHER PARTY, NOR WILL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, ~~SECURUITIES~~SECURITIES, OR OTHER LEGAL EFFECTS OF THE HARBINGER PLAN AS TO HOLDERS OF CLAIMS AGAINST, OR EQUITY INTERESTS IN, THE DEBTORS IN THESE CHAPTER 11 CASES.

THE STATEMENTS CONTAINED IN THE HARBINGER SPECIFIC DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN AND THE DELIVERY OF THE HARBINGER SPECIFIC DISCLOSURE STATEMENT SHALL NOT CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION STATED SINCE THE DATE HEREOF. CREDITORS AND EQUITY INTEREST HOLDERS ENTITLED TO VOTE ON THE HARBINGER PLAN SHOULD CAREFULLY READ THE GENERAL DISCLOSURE STATEMENT AND THE HARBINGER SPECIFIC DISCLOSURE STATEMENT IN THEIR ENTIRETY, INCLUDING THE HARBINGER PLAN, PRIOR TO VOTING ON THE HARBINGER PLAN OR ANY OF THE COMPETING PLANS.

SUMMARIES OF CERTAIN PROVISIONS OF AGREEMENTS REFERRED TO IN THE HARBINGER SPECIFIC DISCLOSURE STATEMENT DO NOT PURPORT TO BE COMPLETE AND ARE SUBJECT TO, AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO, THE FULL TEXT OF THE APPLICABLE AGREEMENT, INCLUDING THE DEFINITIONS OF TERMS ~~CONTAIN~~CONTAINED IN SUCH AGREEMENT.

THE PLAN PROPONENT BELIEVES THAT THE HARBINGER PLAN IS FAIR AND EQUITABLE, WILL MAXIMIZE THE RECOVERY FOR THE DEBTORS' CREDITORS AND INTEREST HOLDERS, ENABLE THE DEBTORS TO REORGANIZE SUCCESSFULLY AND EMERGE ON A QUICKER TIMETABLE THAN ANY ALTERNATIVE PLANS, AND ACCOMPLISH THE OBJECTIVES OF CHAPTER 11, AND THAT ACCEPTANCE OF THE HARBINGER PLAN IS IN THE BEST INTERESTS OF THE DEBTORS, THEIR CREDITORS, AND THEIR EQUITY INTEREST HOLDERS.

THE PLAN PROPONENT URGES ALL CREDITORS AND INTEREST HOLDERS TO ACCEPT THE HARBINGER PLAN. THE PLAN PROPONENT BELIEVES THAT THE HARBINGER PLAN PROVIDES THE HIGHEST AND BEST RECOVERY FOR THE DEBTORS' CREDITORS AND EQUITY INTEREST HOLDERS ON A QUICKER TIMETABLE THAN ANY ALTERNATIVE PLAN.

IRS CIRCULAR 230 NOTICE: TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, HOLDERS OF CLAIMS AND INTERESTS ARE HEREBY NOTIFIED THAT, (A) ANY DISCUSSION OF FEDERAL TAX ISSUES CONTAINED OR REFERRED TO IN THE HARBINGER SPECIFIC DISCLOSURE STATEMENT IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY HOLDERS OF CLAIMS OR EQUITY INTERESTS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON THEM UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS

WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS OF CLAIMS AND EQUITY INTERESTS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

II.

SUMMARY OF THE HARBINGER PLAN

A. Introduction.

The following summary is a general overview only, which is qualified in its entirety by, and should be read in conjunction with, the more detailed discussions, information, and financial statements and notes thereto appearing elsewhere in the Harbinger Specific Disclosure Statement, the General Disclosure Statement and the Harbinger Plan. Harbinger is the proponent of the plan within the meaning of Section 1129 of the Bankruptcy Code. The Plan Proponent reserves the right to modify the Harbinger Plan consistent with Section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019.

Certain parties ~~have~~previously requested that Harbinger include in ~~this~~the *First Amended Specific Disclosure Statement* *For The First Amended Joint Plan Of Reorganization For LightSquared Inc. And Its Subsidiaries Proposed By Harbinger Capital Partners, LLC* [Dkt. No. 935, Ex. 1] ("Amended Harbinger Plan Disclosure Statement") statements that reflect their particular views of the ~~Harbinger Plan and their assessments of disclosures made by Harbinger herein~~*Amended Joint Plan Of Reorganization Pursuant To Chapter 11 Of The Bankruptcy Code Proposed By Harbinger Capital Partners, LLC* [Dkt. No. 912, Ex. 1] ("Amended Harbinger Plan") and the Amended Harbinger Plan Disclosure Statement. Harbinger disagrees with those statements and/or believes they are unnecessary for purposes of disclosure, but to the extent those statements remain applicable to the Harbinger Plan, Harbinger has ~~compiled and~~ included them in the rider attached hereto as Exhibit B.

Based upon (i) recent developments in the Ergen Adversary(as defined below), including the Bankruptcy Court's statement during the hearing on December 10, 2013 that "the best thing to do with respect to equitable subordination is have it be reflected in a plan of reorganization"[3], and (ii) recent discussions with Melody Capital Advisors, LLC and other potential lenders, Harbinger has decided to amend the Amended Harbinger Plan. The amendments accomplish two main goals. First, the Harbinger Plan provides for the potential to equitably subordinate the Ergen Parties, conditioned upon an order granting such relief and consent of the requisite Exit Facility Lenders. Second, the Harbinger Plan provides for the possibility that Harbinger could obtain up to an additional $1.45 billion in exit financing, upon consent of the requisite Exit Facility Lenders. The additional financing would allow the Harbinger Plan to provide for the distribution to Holders of Class 2A Claims of additional Cash in place of New First Lien Facility Notes. Both of these features provide creditors a significant improvement compared with the Amended Harbinger Plan.

[3] 12/10/2013 Hr'g Tr. 147:22-24.

B. Overview.

1. Corporate Structure.

The Harbinger Plan described herein constitutes a separate plan of reorganization for each of the Debtors. The Harbinger Plan provides that, on the Effective Date, all Holders of Claims and Equity Interests will be paid substantially in full through the distribution of cash, new secured notes issued by LightSquared Inc. and LightSquared LP, new unsecured notes issued by LightSquared Inc., and common shares of Lightsquared Inc. Indeed, the Harbinger Plan is the *only* plan proposed by any party that pays all general unsecured creditors the full principal amount of their Allowed Claims in Cash.

The Harbinger Plan further provides that (1) the Debtors will continue to exist after the Effective Date as separate entities, in accordance with applicable law, and will maintain their pre-petition organizational structure, (2) Existing Inc. Equity Interests will continue to exist after the Effective Date, with current Holders of Equity Interest retaining such interests and (3) upon the Effective Date, the Reorganized Debtors will issue additional shares of Inc. Common Stock and will issue New Warrants to their Exit Facility Lenders (as discussed below). As a result, immediately following the Effective Date, Inc. Common Stock will be held (i) approximately 90% by current Holders of Existing Inc. Common Stock Equity Interests, (ii) approximately 6.1% by Harbinger on account of its capital contribution through the conversion of $159 million of Allowed ~~Existing~~Prepetition Inc. Facility Claims into equity and (iii) approximately 3.9% by parties participating in the $100 million rights offering made available to Holders of Existing Inc. Common Stock Equity Interests and fully backstopped by Harbinger, all subject to dilution for the New Warrants and a management incentive plan to be disclosed in the Plan Supplement (the "Management Incentive Plan"). The board of directors of New LightSquared Inc. shall consist of seven (7) directors: (a) three (3) directors appointed by the Plan Proponent in its sole and absolute discretion; (b) three (3) directors appointed by the Plan Proponent who (i) shall be independent as contemplated by New York Stock Exchange rules, and (ii) shall not be officers, directors, employees or affiliates of the Plan Proponent; and (c) the Chief Executive Officer of the Reorganized Debtors.

The Harbinger Plan, in its base case, is premised upon an enterprise value for the Reorganized Debtors of $5.654 billion, which assumes that the FCC clears for use for nationwide terrestrial broadband services 25MHz of spectrum prior to the Effective Date and another 10MHz of spectrum thereafter. That value is derived by taking the total of $6.538 billion total spectrum value (at $0.75 / MHzPOP (discounted to present value where applicable)), plus $428 million satellite value, minus $1.162 billion net present value of spectrum leases, minus $150 million for the purchase option on 5MHz of spectrum assets currently leased by the Inc. Debtors. This enterprise value (of $5.654 billion) when (x) reduced by $2.183 billion for the New ~~LP~~First Lien Facility Notes, $550 million for the Exit Facility and $573 million for the New Inc. Subordinated Facility Notes and then (y) increased by $239 million Cash on hand, results in an equity value of $2.587 billion. The foregoing enterprise and equity values, however, are substantially higher when the proceeds of certain pending and/or contemplated Debtor causes of actions, which are described in Article II.B.4 below, are added. The Plan Proponent believes that the value of such claims will exceed $7 billion.

2. Implementation of the Harbinger Plan.

(a) ~~2.~~ Committed Exit Facility and Postpetition Liquidity Through the Effective Date.

On the Effective Date of the Harbinger Plan, LightSquared Inc. and certain of its subsidiaries, as borrowers, and other Debtors, as guarantors, shall become party to, and be bound by the terms of, the Exit Facility in an amount of at least $550 million. This amount is sufficient, along with the other sources of consideration for plan distributions, to satisfy all obligations under the Harbinger Plan due on the Effective Date, including, without limitation, the payment in full in Cash of all Administrative Claims, the DIP Facility Claim (to the extent outstanding) and the Allowed Prepetition Inc. Facility Claims (except those held by Harbinger) as well as funding of a 6 month interest reserve for the New ~~LP~~First Lien Facility Notes.

Harbinger has reached agreement with Melody Capital Advisors, LLC (as the Exit Facility Lead Arranger) and the Exit Facility Lenders on terms and conditions of the Exit Facility as reflected in a commitment letter dated October 1, 2013. The material terms of the Exit Facility are as follows:

- The Exit Facility Lenders have committed to fund the Exit Facility on the Effective Date, in an amount of at least $550 million, maturing on the fifth anniversary of its funding. (*See* Article V.B below for further discussion of the conditions to such funding.) Attached hereto as Exhibit C is a term sheet with the terms of the Exit Facility. The amount of the Exit Facility may be increased above $550 million if additional lending commitments are provided and accepted by the Plan Proponent prior to the Effective Date.
    - The Exit Facility shall bear interest at a rate per annum equal to the Eurodollar Rate plus (i) 9.50% during the first year of the loan, (ii) 10.50% during the second year of the loan and (iii) 11.50% at all times thereafter. Interest during the first three years of the loan may be paid-in-kind, absent any event of default.
    - The Exit Facility shall be secured by Liens on substantially all of the assets of the Exit Facility Obligors *pari passu* with the Liens securing the New ~~LP~~First Lien Facility Notes and senior to all other Liens.
- The Exit Facility Lenders have agreed that, prior to the Effective Date, Harbinger may make available to the Debtors, subject to Bankruptcy Court approval and certain other limited conditions, $190 million of the Exit Facility as replacement debtor-in-possession financing (the "New DIP Facility"). Attached hereto as Exhibit D is a term sheet containing the terms of the New DIP Facility. The Plan Proponent believes that the additional financing made available through the New DIP Facility is imperative because

as a result of, among other things, the regulatory issues discussed below, the Debtors will need additional post-petition funding irrespective of which plan is ultimately confirmed.[4]

- The New DIP Facility would be used to satisfy in full the DIP Facility Claims and to provide the Debtors with the funds necessary to continue their operations without disruption through June 30, 2014.

- The New DIP Facility would accrue interest at an annual rate equal to LIBOR (with a floor of 2.00%) plus 14.00%, which interest shall be payable-in-kind absent any event of default.

- The New DIP Facility would be (i) secured by Liens on the assets of the Inc. Debtors, junior to any existing Liens, but senior to Liens held by Harbinger to secure its Prepetition Inc. Facility Claims and (ii) entitled to administrative priority status in the Debtors' Chapter 11 Cases, provided that such Administrative Claims as against the LP Debtors shall be limited to the proceeds received by the LP Debtors from such financing.

- The New DIP Facility would be converted into a portion of the Exit Facility upon the Effective Date.

- In connection with the Exit Facility, Harbinger provided to the Exit Facility Lead Arranger and to the DIP and Exit Facility Lenders certain commitment fees in the form of cash payments and contractual obligations to issue interests in Inc. Common Stock. If all conditions precedent are met, it is possible that prior to the Effective Date Harbinger will issue options for at least 15.714% of the fully-diluted Inc. Common Stock. ~~The~~Subject to the consent rights set forth in the Harbinger Plan, the DIP and Exit Facility Lenders will be obligated to support the Harbinger Plan. On the Effective Date, all such options would be cancelled and terminated and New Warrants for at least 15.714% of the fully-diluted Inc. Common Stock would be issued to the DIP and Exit Facility Lenders (to the extent not previously received by the DIP and Exit Facility Lenders). The New Warrants, when issued, will entitle holders thereof to acquire fully diluted Inc. Common Stock, will be fully vested and immediately exercisable upon the Effective Date at an exercise price of $0.01 per share, will provide for the option of cashless exercise and will be subject to full ratchet anti-dilution protection.

Harbinger intends to use its best efforts to obtain confirmation and consummation of its plan by December 31, 2013. Harbinger believes that only the Harbinger Plan is capable of consummation within this timeframe because the FCC review of the Harbinger Plan will be quicker than its review of the other plans which all require a sale of the Debtors' spectrum assets to a new operator. (*See* Article VII.B.1.(b) below). Nonetheless, factors beyond any party's control -- including the requirement of FCC approval incident to the Harbinger Plan and all other

[4] The foregoing agreement by the Exit Facility Lenders required the Debtors to file a motion seeking approval of such replacement debtor-in-possession financing no later than December 1, 2013; however, Harbinger and the Exit Facility Lenders are discussing an extension of that and other related deadlines.

plans[~~3~~5] -- dictate that the Debtors retain the necessary liquidity to achieve regulatory relief and the anticipated benefits that will deliver enormous incremental value to the Debtors' estates. Harbinger believes that it would be unfortunate and imprudent for the Debtors' estates not to have financing available to continue operations through the first half of 2014. Harbinger is aware of no other proposal for such necessary liquidity other than that offered by the Exit Facility Lender, let alone a proposal which funds the Debtors on terms that do not subordinate existing secured creditors. This highly unusual and beneficial arms-length financing, in Harbinger's view, strongly validates the robust solvency of the Debtors and their enormous economic potential.

(b) ~~3.~~ Other Financial Terms.

a. On the Effective Date, LightSquared LP, as borrower, shall become a party to, and be bound by the terms of, ~~a new first lien term loan facility ("New LP~~the New First Lien ~~Term Loan~~ Facility~~")~~ Credit Agreement in the amount of $2.183 billion (subject to decrease upon the disallowance of Claims held by the Ergen Parties as discussed in Article VII.B.1.(g) hereof), maturing three years from the Effective Date (*i.e.*, two years prior to the maturity of the Exit Facility). The ~~notes issued pursuant to the~~ New ~~LP~~ First Lien ~~Term Loan Facility ("New LP~~ Facility Notes~~")~~ shall bear interest at (i) 9% per annum payable in kind during the first year, (ii) 10% per annum payable in kind or 8% per annum payable in cash during the second year, and (iii) 11% per annum payable in kind or 9% per annum payable in cash during the third year. The obligations under the New ~~LP~~ First Lien ~~Term Loan~~ Facility shall be secured by Liens on substantially all of the assets of the New ~~LP~~First Lien Facility Obligors *pari passu* with the Liens securing the Exit Facility and senior to all other Liens. The New ~~LP~~First Lien Facility Notes will be distributed to the holders of Allowed Claims under LightSquared LP's prepetition term loan facility in full satisfaction of those claims.

b. On the Effective Date, LightSquared Inc., as borrower, shall become a party to, and be bound by the terms of, ~~a new subordinated loan facility ("~~the New Inc. Subordinated ~~Loan~~ Facility~~")~~ Credit Agreement in the amount of $573 million (subject to decrease upon the disallowance of Equity Interests held by the Ergen Parties). The New Inc. Subordinated ~~Loan~~ Facility Notes shall bear interest at a rate of 14% payable in kind and mature on the sixth anniversary of the Effective Date. The New Inc. Subordinated ~~Loan~~ Facility Notes shall be unsecured and ~~the notes issued under that facility will be~~ used to satisfy in full the Allowed Equity Interests held by all Holders of the Debtors' preferred stock (whether at LightSquared Inc. or LightSquared LP).

c. On the Effective Date, Harbinger shall make a capital contribution to reorganized LightSquared Inc. of up to $259 million through (i) the voluntary contribution of $159 million of Prepetition Inc. Facility Claims, in exchange for 6.1% of the Inc. Common Stock and (ii) by backstopping a rights offering of $100 million to holders of existing common stock for 3.9% of the Inc. Common Stock.

[~~3~~5] The need for FCC approval was emphasized by the FCC in its filing dated August 30, 2013 and statements given on the record of the hearing on September 30, 2013. (*See* Article VII.B.1.(a) below.)

d. The Debtors' existing cash, together with the proceeds of the Exit Facility and Harbinger's capital contributions shall be used to fund (A) the cash obligations under the Harbinger Plan due on the Effective Date, including (i) payment in full of Prepetition Inc. Facility Claims (other than the claim of Harbinger), (ii) payment in full of the principal amount of general unsecured claims and (iii) payment of administrative and priority claims, and (B) meeting the Debtors' ongoing liquidity requirements. Additionally, the Harbinger Plan contemplates that when the FCC approves the use of the NOAA spectrum, LightSquared will have the necessary funding to meet requisite usage fees related to accessing and sharing that spectrum.

(c) Potential Additional Exit Financing.

Harbinger is exploring other and further potential sources for exit financing (the "Additional Exit Facility"), including, without limitation, (a) amending the Exit Facility to increase the amount from $550 million to $1.0 billion and to eliminate the 25 MHz Spectrum Approval (as defined below) condition precedent, and/or (b) obtaining additional financing from non-Exit Facility Lenders of at least $1.45 billion conditioned upon 20 MHz x 10 MHz FCC approval. Any Additional Exit Facility is contingent upon obtaining the consent of requisite Exit Facility Lenders.

If $450 million of Additional Exit Facility is procured, the Harbinger Plan provides for the distribution of $600 million in Cash to Holders of Class 2A Claims instead of the distribution of $600 million of New First Lien Facility Notes. If $1.45 billion of Additional Exit Facility is procured, the Harbinger Plan provides for the distribution of $1 billion in Cash to Holders of Class 2A Claims instead of the distribution of $1 billion of New First Lien Facility Notes.

Harbinger believes that the Additional Exit Facility would not cause any prejudice to the treatment of Claims or Equity Interests set forth herein, but rather would materially improve such treatment and potentially reduce the amount of time for such distributions to occur. Indeed, Harbinger anticipates that any Additional Exit Facility would result in substantial additional Cash being made available to fund obligations under the Harbinger Plan and intends to allocate such Cash to pay non-subordinated Allowed Prepetition LP Facility Claims, potentially entirely in full. Harbinger reserves the right to modify the treatments, as set forth herein, to reflect improved terms resulting from any Additional Exit Facility, including, without limitation, to provide that incremental Cash generated thereby will be paid to Holders of Allowed Prepetition LP Facility Claims.

(d) Potential Subordination of Claims and Interests Held or Controlled By or For the Benefit of the Ergen Parties.

The Debtors currently are seeking the disallowance and subordination of the Prepetition LP Facility Claims held or controlled by or for the benefit of the Ergen Parties in the Ergen Adversary (as defined below). Additionally, consistent with the Bankruptcy Court's ruling on December 10, 2013, the Harbinger Plan constitutes a motion to subordinate the Prepetition LP Facility Claims and the Existing LP Preferred Units held or controlled by or for the benefit of the Ergen Parties.

If the Debtors and/or Harbinger succeeds in subordinating the Prepetition LP Facility Claims and/or the Existing LP Preferred Units held or controlled by or for the benefit of the Ergen Parties, then, contingent upon obtaining the consent of requisite Exit Facility Lenders, the Harbinger Plan will provide for (a) separate sub-classes of Classes 2 and 7, as relevant, for the subordinated versus non-subordinated Claims and Interests and (b) adjust the treatment of such subordinated Claims or Interests accordingly. In conjunction with this treatment, the Harbinger Plan provides for the creation and distribution of New Second Lien Facility Notes.

3. ~~4.~~ Assets, Business and Operations of the Debtors and Reorganized Debtors.

The Harbinger Plan reflects a recapitalization of the Debtors' existing debts and interests, without any material changes to the Debtors' existing business and/or operations and with the Debtors assets vesting in the Reorganized Debtors. The Debtors' business, operations and certain assets are discussed in detail in Article II.2 of the General Disclosure Statement. The Debtors' assets also include certain causes of action, which, likewise, will vest in the Reorganized Debtors and consist of, among other things, the following:

(a) The Debtors' Causes of Action Against Ergen Parties.

On August 6, 2013, Harbinger filed an adversary proceeding, Case No. 13-01390 (SCC) (the "Ergen Adversary ~~Proceeding"). The Ergen Adversary Proceeding~~"). Harbinger's complaint names as defendants Charles W. Ergen ("Ergen"), EchoStar Corporation ("EchoStar"), Dish Network Corporation ("DISH"), L-Band Acquisition LLC ("LBAC" and, collectively with Ergen, EchoStar, and DISH, the "DISH/EchoStar Defendants"), SP Special Opportunities LLC ("SPSO"), SP Special Opportunities Holdings LLC ("SP Holdings"), Sound Point Capital Management LP ("SP Capital" and, collectively with SPSO and SP Holdings, (the "Sound Point Defendants"), and Stephen Ketchum ("Ketchum").

The ~~complaint in the~~ Ergen Adversary ~~Proceeding~~ seeks~~, among other things,~~ disallowance of SPSO's claim against LightSquared LP~~,~~ both ~~on equitable grounds and as a matter of contract. The Prepetition LP Credit Agreement only allows assignment to an "Eligible Assignee," and because SPSO is controlled by the DISH/EchoStar Defendants, it is not an "Eligible Assignee." The agreement expressly bars entities that are not proper assigns from holding "any legal or equitable right, remedy or claim under or by reason of [the] Agreement." As the Debtors previously argued "[a] plain reading of the Prepetition LP Credit Agreement leads to but one additional conclusion: [SPSO] is (a) a subsidiary of both DISH and EchoStar, (b) a Disqualified Company, and (c) prohibited from purchasing Prepetition LP Obligations."[4] Accordingly, because SPSO is not an Eligible Assignee, the purported transfers to SPSO did not transfer any rights to SPSO, SPSO does not have "any legal or equitable right, remedy or claim under or by reason of the Agreement," and therefore SPSO is not a proper creditor of the~~

[4] ~~*See* LightSquared's (I) *Objection to Emergency Motion of Ad Hoc Secured Group of LightSquared's LP Lenders to Enforce Order Pursuant to 11 U.S.C. § 1121(d) Further Extending LightSquared's Exclusive Periods to File a Plan of Reorganization and Solicit Acceptances Thereof [Docket No. 522]*, and (II) *Cross-Motion for Entry of Order, Pursuant to 11 U.S.C. § 105(a), Relieving LightSquared of Certain Obligations Thereunder*, dated July 1, 2013 [Dkt. No. 705] at 32.~~

~~Debtors' estates. LightSquared has intervened as a plaintiff in the Ergen Adversary Proceeding to the extent that the complaint seeks declaratory relief on the issue of whether SPSO's purchase of LightSquared's debt was in compliance with the Prepetition LP Credit Agreement. LightSquared has also intervened to the extent that any other claim or cause of action against the Sound Point Defendants raises the issue of whether the purchase of LightSquared's debt was in compliance with the Prepetition LP Credit Agreement. Harbinger believes that the Court should disallow and expunge SPSO's Prepetition LP Facility Claims and, if it holds any, Existing LP Preferred Stock Equity Interests, both on equitable grounds and as a matter of contract, which will provide incremental value to the Debtors' creditors and equity holders in excess of $1 billion.~~ as a matter of contract and on equitable grounds. Harbinger is also seeking to redress particularized injury that it suffered. In addition to the claims referenced above, Harbinger's complaint ~~also~~ includes causes of action ~~that belong solely to Harbinger and their value is not captured by the Harbinger Plan. In those causes of action, Harbinger alleges that~~related to the defendants ~~engaged in~~ fraudulent and tortious conduct to misappropriate Harbinger's investment in LightSquared and destroy Harbinger's contractual rights and business opportunities associated with that investment in the following manner: First, the DISH/EchoStar Defendants committed fraud to circumvent a provision of the Prepetition LP Credit Agreement that forbids them -- as designated competitors and therefore not "Eligible Assignees" -- from purchasing LightSquared LP's secured debt and thereby infiltrated the capital structure by purchasing a majority of secured debt. The DISH/EchoStar Defendants used SPSO as a front for their purchases, misrepresenting its status as an "Eligible Assignee" when in fact, because it is controlled by the DISH/EchoStar Defendants, it is not. Second, the DISH/EchoStar Defendants caused SPSO to refuse to settle over $600 million in debt trades. With the trades in limbo, Harbinger was unable to negotiate with creditors prior to the expiration of exclusivity and to raise financing necessary to its plan. Third, the DISH/EchoStar Defendants caused SPSO to enter into back-to-back trades of bundled debt and preferred shares (which SPSO was also ineligible to purchase under LightSquared LP's stockholders' agreement) with Jefferies as broker and key potential participants in exit financing as counterparties, and then again refused to close the trades. This left Jefferies -- who was later approved to provide exit financing to LightSquared -- and the counterparties uncertain of their exposure to LightSquared and thus unable to take on the additional exposure necessary to provide key exit financing necessary for Harbinger's plan. Fourth, the DISH/EchoStar Defendants used LBAC to make an unsolicited, low-ball, bad faith bid for LightSquared's spectrum assets and then promptly leaked the confidential bid to the public. The low-ball bid and its public disclosure were timed to sow confusion and doubt among potential investors as to the value of the spectrum assets. Finally, the DISH/EchoStar Defendants caused SPSO to join the Ad Hoc Secured Group in order to propose a plan of reorganization that would destroy Harbinger's control rights and remove Harbinger as a competitor, and simultaneously caused the Ad Hoc Secured Group to enter into a plan support agreement that prevented its members from negotiating with Harbinger.[~~5~~6]

On November 14, 2013, the Bankruptcy Court entered its Order Granting Motions to Dismiss the Amended Complaint and on November 21, 2013, it entered its Memorandum

[~~5~~6] This description is qualified in its entirety by reference to the Amended Complaint [Adv. Proc. Dkt. No. 43].

Decision Granting Motions to Dismiss Complaint. On December 2, 2013, Harbinger filed its notice of appeal.

In connection with the Ergen Adversary, on November 15, 2013, the Debtors filed their Complaint-In-Intervention against SPSO, DISH, EchoStar and Ergen. The Debtors' complaint seeks, among other things:

(i) declaratory relief finding that SPSO is not an "Eligible Assignee" under the Prepetition LP Credit Agreement and therefore, is in breach of section 10.04(b) thereunder;

(ii) breach of contract against SPSO for purchasing Prepetition LP Facility Claims in breach of section 10.04(b) of the Prepetition LP Credit Agreement;

(iii) disallowance of SPSO's Prepetition LP Facility Claims under Section 502(b) of the Bankruptcy Code;

(iv) equitable disallowance of SPSO's Prepetition LP Facility Claims; and

(v) tortious interference with contractual relations against SPSO, DISH, EchoStar and Ergen in connection with SPSO's breach of section 10.04(b) of the Prepetition LP Credit Agreement.

Specifically, the Prepetition LP Credit Agreement only allows assignment to an "Eligible Assignee," and because SPSO is controlled by the DISH/EchoStar Defendants, it is not an "Eligible Assignee." The agreement expressly bars entities that are not proper assigns from holding "any legal or equitable right, remedy or claim under or by reason of [the] Agreement." As the Debtors previously argued "[a] plain reading of the Prepetition LP Credit Agreement leads to but one additional conclusion: [SPSO] is (a) a subsidiary of both DISH and EchoStar, (b) a Disqualified Company, and (c) prohibited from purchasing Prepetition LP Obligations."[7] Accordingly, because SPSO is not an Eligible Assignee, the purported transfers to SPSO did not transfer any rights to SPSO, SPSO does not have "any legal or equitable right, remedy or claim under or by reason of the Agreement," and therefore SPSO is not a proper creditor of the Debtors' estates.

On November 25, 2013, SPSO and Ergen moved to dismiss the Debtors' complaint. On November 26, 2013, DISH and EchoStar similarly moved to dismiss the complaint. On December 2, 2013, Harbinger filed a Second Amended Complaint seeking, in part, to disallow SPSO's claim in full or, in the alternative, to equitably subordinate SPSO's claim in its entirety. On December 5, 2013, SPSO filed a motion to dismiss Harbinger's Second Amended Complaint. At the hearing on the motions to dismiss held on December 10, 2013, the Court denied the

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[7] *See* LightSquared's (I) *Objection to Emergency Motion of Ad Hoc Secured Group of LightSquared's LP Lenders to Enforce Order Pursuant to 11 U.S.C. § 1121(d) Further Extending LightSquared's Exclusive Periods to File a Plan of Reorganization and Solicit Acceptances Thereof [Docket No. 522]*, and (II) *Cross-Motion for Entry of Order, Pursuant to 11 U.S.C. § 105(a), Relieving LightSquared of Certain Obligations Thereunder*, dated July 1, 2013 [Dkt. No. 705] at 32.

motions with respect to the Debtors' Complaint in Intervention, except for the equitable disallowance claim and, solely with respect to SPSO, the tortious interference claim.

Harbinger believes that the Court should disallow and expunge SPSO's Prepetition LP Facility Claims and, if it holds any, Existing LP Preferred Units, both as a matter of contract and on equitable grounds, which will provide incremental value to the Debtors' creditors and equity holders in excess of $1 billion.

(b) The Debtors' GPS-Related Causes of Action.

~~Harbinger believes that the Debtors have enormously valuable claims~~On November 1, 2013, LightSquared Inc., LightSquared LP, and LightSquared Subsidiary LLC commenced an adversary proceeding against Deere & Company, Garmin International, Inc., Trimble~~, the~~ Navigation Limited, The U.S. GPS Industry ~~Council~~Counsil, and ~~the~~The Coalition ~~to~~To Save Our GPS (~~the~~collectively, "GPS Defendants")~~.~~, Case No. 13-01670 (SCC) (the "GPS Adversary Proceeding"). The Debtors seek relief based on claims for (i) promissory estoppels, (ii) breach of contract, (iii) breach of implied covenant of good faith, (iv) unjust enrichment, (v) negligent misrepresentation, (vi) tortuous interference with existing contractual or business relationship, (vii) tortuous interference with prospective business relationship, (viii) civil conspiracy, and (ix) fraudulent concealment.

As the Debtors ~~recently~~ noted prior to commencing the GPS Adversary Proceeding, "LightSquared believes that its claims against the GPS Defendants are strong and meritorious and, if those claims are prosecuted, they may yield a significant value for all of LightSquared's stakeholders."[68] ~~LightSquared has indicated that it intends to file a complaint against the GPS Defendants in the near future.~~ Harbinger has performed extensive analysis of the Debtors' claims against the GPS industry and believes that the Debtors' claims could exceed $6 billion.

III.

TREATMENT AND ESTIMATED RECOVERIES UNDER THE HARBINGER PLAN

Chart of Consideration Allocable to Non-Classified Claims

Class	Treatment	Estimated Claim Amounts	Estimated Recovery
DIP Facility Claims	Payment in full, in Cash, on or prior to Effective Date	$66,410,000[79]	100%

[68] *LightSquared's Emergency Motion for Entry of Order Stay Related Litigation*, dated September 30, 2013 [Dkt. No. 888] at ¶ 2.

[79] *Ibid.*, Ex. C (Liquidation Analysis). All DIP Facility Claims shall be Allowed and deemed to be Allowed Claims in the amount of $63,102,656.06 as of September 30, 2013, plus interest, exit fees, other fees, expenses and all other obligations incurred under the DIP Credit Agreement through and including the Effective Date.

Administrative ~~Expense~~Claims and Priority Tax Priority Claims	Payment in full, in Cash, on the Effective Date or at the time such Administrative ~~Expense~~ Claim or Priority Tax Claim becomes Allowed.	$25,000,000-$77,000,000~~8~~[10]	100%

Chart of Consideration Allocable to Classified Claims[11]

Class Number	Class	Treatment	Estimated Claim Amounts	Estimated Recovery
Class 1	Prepetition Inc. Facility Claims	Payment in full, in Cash, on the Effective Date or at time such ~~Non~~non-Affiliate Prepetition Inc. Facility Claim becomes Allowed; provided, however, that Harbinger has agreed to accept a lesser treatment of its Prepetition Inc. Facility Claims and receive a ~~pro rata~~Pro Rata share of 6.19% of Inc. Common Stock (subject to dilution for the New Warrants and the Management Incentive Plan), on the Effective Date.	$440,000,000	100%
Class 2A	Non-Subordinated Prepetition LP Facility Claims	Payment in full, ~~by receiving a pro rata~~on the Effective Date, by distribution of (a) a Pro Rata share of the Prepetition LP Facility Cash Payment and (b) New ~~LP~~ First Lien ~~Term Loan Facility on the Effective Date or at the time such Prepetition LP Facility Claim becomes Allowed~~Facility	$~~2,183,000,000~~	100% ~~(subject to the outcome of the Ergen Litigation, as described below)~~

~~8~~[10] To the extent such payment is required, this would include LBAC's $51.8 million break-up fee. Although the Harbinger Plan contains funding for this expense, Harbinger believes that the conditions to allowance of this expense will not be met.

[11] Classes 2B and 7B only exist upon subordination of Ergen Parties and consent of requisite Exit Facility Lenders.

		Notes in a principal amount equal to the amount (if any) by which such Holder's Allowed Class 2A Claim exceeds the amount of Cash received pursuant to preceding sub-clause (a); provided, however, that to the extent required by the terms of any Additional Exit Facility, if any, the foregoing treatment shall be modified, with the consent of requisite Exit Facility Lenders, to provide New Second Lien Facility Notes instead of New First Lien Facility Notes.		
Class 2B	Subordinated Prepetition LP Facility Claims	Subject to consent of the requisite Exit Facility Lenders, in full and final satisfaction, settlement, release, and discharge of, and in exchange for, each Allowed Subordinated Prepetition LP Facility Claim, on the Effective Date, each Holder of an Allowed Subordinated Prepetition LP Facility Claim shall receive payment in full through New Second Lien Facility Notes in a principal amount equal to its Allowed Subordinated Prepetition LP Facility Claim.	$	100%
Class 3	Other Secured Claims	Either (i) payment in full, in Cash; (ii) delivery of the collateral securing such Allowed Other Secured Claim and payment of interest required to be paid under Section 506(b) of the Bankruptcy Code, if any; or	[Unknown]	100%

		(iii) treatment of such Allowed Other Secured Claim in any other manner such that the Allowed Other Secured Claim shall be rendered Unimpaired, on the Effective Date or at such time such Other Secured Claim becomes Allowed.		
Class 4	Other Priority Claims	Payment in full, in Cash, on the Effective Date or at such time such Other Priority Claim becomes Allowed.	[Unknown]	100%
Class 5	General Unsecured Claims	Payment of principal amount of Claim in full, in Cash, on the Effective Date or at the time such General Unsecured Claim becomes Allowed.	$10,600,000[~~9~~12]	100% of principal amount
Class 6	Intercompany Claims	On the Effective Date or as soon thereafter as practicable, each Allowed Intercompany Claim shall be Reinstated for the benefit of the Holder thereof.	[Unknown]	100%
Class 7A	Non-Subordinated Existing LP Preferred ~~Stock~~Units Equity Interests	Payment in full, on the Effective Date, by distribution of New Inc. Subordinated ~~Loan~~ Facility Notes with a face value equal to the Preferred Payment Amount.	$~~296,000,000~~[~~10~~] [13]	100% ~~(subject to the outcome of the Ergen Litigation, as defined below)~~
Class 7B	Subordinated Existing LP Preferred Units Equity Interests	Subject to consent of the requisite Exit Facility Lenders, Holders of Allowed Subordinated Existing LP Preferred Units Equity Interest shall not be entitled to any distribution or shall		0%

[~~9~~12] *Ibid.*

~~[10] *Ibid.*~~

[13] *Ibid.*

		receive such other treatment directed by the Bankruptcy Court that is subordinate to the treatment of Class 7A Equity Interests.		
Class 8	Existing Inc. Preferred Stock Equity Interests	Payment in full, by distribution of New Inc. Subordinated ~~Loan~~ Facility Notes.	$277,000,000~~11~~14	100%
Class 9	Existing Inc. ~~Common Stock~~ Equity Interests	Will retain Inc. Common Stock and receive rights to participate in the Rights Offering for 3.9% of the Inc. Common Stock, each subject to dilution for the New Warrants and the Management Incentive Plan.	[N/A]	[N/A]
Class 10	Existing Inc. Warrants	Will retain Existing Inc. Warrants.	[N/A]	[N/A]
Class 11	Intercompany Interests	On the Effective Date or as soon thereafter as practicable, each Allowed Intercompany Claim shall be Reinstated for the benefit of the Holder thereof.	[N/A]	100%

IV.

CLASSES ENTITLED TO VOTE ON THE HARBINGER PLAN

The following chart describes whether each Class of Claims and Equity Interests is entitled to vote to accept or reject the Harbinger Plan. For a complete description of voting procedures and deadlines, please see Article I.C of the General Disclosure Statement.[15]

Class Number	**Class**	**Impaired/Unimpaired**	**Entitled To Vote**
Class 1	Prepetition Inc. Facility Claims	Unimpaired	No
Class 2A	Non-Subordinated Prepetition LP Facility	Impaired	Yes

~~11~~14 *Ibid.*

15 Classes 2B and 7B only exist upon subordination of Ergen Parties and consent of requisite Exit Facility Lenders.

	Claims		
Class 2B	Subordinated Prepetition LP Facility Claims	Impaired	Yes
Class 3	Other Secured Claims	Unimpaired	No
Class 4	Other Priority Claims	Unimpaired	No
Class 5	General Unsecured Claims	Impaired	Yes
Class 6	Intercompany Claims	Unimpaired	No
Class 7A	Non-Subordinated Existing LP Preferred ~~Stock~~Units Equity Interests	Impaired	Yes
Class ~~8~~7B	Subordinated Existing ~~Inc.~~LP Preferred ~~Stock~~Units Equity Interests	Impaired	~~Yes~~No
Class ~~9~~8	Existing Inc. ~~Common~~Preferred Stock Equity Interests	Impaired	Yes
Class 9	Existing Inc. Equity Interests	Impaired	Yes
Class 10	Existing Inc. Warrants	Impaired	Yes
Class 11	Intercompany Interests	Unimpaired	No

V.

CERTAIN RISK FACTORS SPECIFIC TO THE HARBINGER PLAN

For a complete description of the risk factors affecting the reorganization of the Debtors, please see Article V of the General Disclosure Statement. Below are the specific risk factors affecting the Harbinger Plan:

A. Regulatory Risks.

The Harbinger Plan reflects a recapitalization of the Debtors' existing debts and interests, without any material changes to the Debtors' existing businesses and/or operations. The regulatory risks facing the Reorganized Debtors are substantially the same identified by the Debtors in the Section of the General Disclosure Statement titled "Regulatory Risk." (*See* General Disclosure Statement, Art. V. A. 2.)

As a condition precedent for the occurrence of the Effective Date, the FCC must grant authority for LightSquared Subsidiary LLC to use 20 megahertz of uplink spectrum in the L-band and 5 megahertz of additional spectrum in a downlink configuration for nationwide terrestrial broadband services, which authorized use must not be limited or conditioned in certain specified regards (the "25 MHz Spectrum Approval"). There is no assurance that the FCC will grant such authority and any delays in obtaining such authority will delay the Effective Date.

B. Consummation of Exit Facility.

As a condition precedent for the occurrence of the Effective Date, the Reorganized Debtors shall enter into the Exit Facility in the amount of not less than $550 million to provide the Reorganized Debtors with the requisite Cash to satisfy their obligations under the Harbinger Plan and capitalize the Reorganized Debtors with sufficient liquidity post-emergence. The Exit Facility is discussed in Article II.B.2 above.

Each Exit Facility Lender has committed to provide its allocated share of the Exit Facility upon the occurrence of certain conditions precedent. Those conditions include, without limitation, (a) confirmation of the Harbinger Plan by the Bankruptcy Court and (b) FCC authority to use the 25 MHz Spectrum. There is no certainty that the Bankruptcy Court will confirm the Harbinger Plan (as discussed below) nor that the FCC will grant such authority (as discussed above). Moreover, the Exit Facility Lender's funding obligations expire on June 30, 2014 and there can be no assurance that the Effective Date will occur by that date. Finally, even if all conditions precedent to funding of the Exit Facility occur, there is no guaranty that all Exit Facility Lenders will abide by their commitment and fund as required, in which case, the Effective Date of the Harbinger Plan may be threatened and/or delayed.

C. Confirmation of Harbinger Plan.

The Harbinger Plan requires the acceptance of a requisite number of Holders of Claims or Equity Interests that Impaired and entitled to vote on the Plan, and the approval of the Court. There can be no assurance that such acceptances and approvals will be obtained and therefore, that the Plan will be confirmed.

In the event that any Impaired Class of Claims or Equity Interests of a particular Debtor does not accept the Harbinger Plan, the Court may nevertheless confirm the Harbinger Plan as to that Debtor if at least one Impaired Class of Claims of the Debtor has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such Class), and, as to each Impaired Class that has not accepted the Harbinger Plan, the Court determines that the Harbinger Plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting Classes.

The Plan Proponent believes that the Harbinger Plan comports with the "cram-down" requirements in Section 1129(b) of the Bankruptcy Code. Harbinger expects that Class 5 (General Unsecured Claims) is an Impaired Class that will vote to accept the Harbinger Plan at each Debtor. Moreover, Harbinger believes that, as to all Impaired ~~Class~~Classes, the Harbinger Plan "does not discriminate unfairly" and is "fair and equitable."

For instance, Class 2A (Non-Subordinated Prepetition LP Facility Claims) – of which approximately 80% are either proponents of the competing Ad Hoc Plan (discussed below) or are affiliated with LBAC and therefore likely to vote to reject the Harbinger Plan – is receiving the "indubitable equivalent" of the Prepetition LP Facility Claims through the New ~~LP~~First Lien Facility Notes. Class 7A (Existing LP Preferred ~~Stock~~Units Equity Interests) and Class 8 (Existing Inc. Preferred Stock Equity Interests), through the New Inc. Subordinated ~~Loan~~ Facility Notes, which have a face amount equal to the higher of (i) the fixed liquidation

preference or (ii) the fixed redemption price of such interests, will receive distributions that satisfy the requirements for cram-down of equity interests.

The Ad Hoc Preferred LP Group believes that the treatment of the Existing LP Preferred ~~Stock~~Units Equity Interests under any plan confirmed in these Bankruptcy Cases would constitute a repayment under the "Optional Repayment" provisions of Section 9.6(a) of the LightSquared LP Limited Partnership Agreement, which provides that the general partner of LightSquared LP may redeem the Existing LP Preferred ~~Stock~~Units Equity Interests at the "Premium Redemption Amount," which provides for an annual internal rate of return, as more fully described in the LightSquared LP Limited Partnership Agreement. Harbinger believes that the treatment of the Existing LP Preferred ~~Stock~~Units Equity Interests in the Harbinger Plan comports with the annual rate of return provided in the LightSquared LP Limited Partnership Agreement.

D. Business-Related Risks.

The Harbinger Plan reflects a recapitalization of the Debtors' existing debts and interests, without any material changes to the Debtors' existing businesses and/or operations. The business risks facing the Reorganized Debtors are substantially the same identified by the Debtors in the Section of the General Disclosure Statement titled "Business-Related Risks." (*See* General Disclosure Statement, Art. V.A.1.) However, because FCC approval of authority to use the 25 MHz Spectrum is a condition to the Effective Date, the corresponding business risk would no longer exist.

E. Risks Related to Existing Inc. Equity Interests / New Warrants.

1. Liquid Trading of Existing Inc. Equity Interests and New Warrants.

The Existing Inc. Equity Interests and the New Warrants will not be listed on an exchange and the Plan Proponent makes no assurance that liquid trading markets for the Existing Inc. Equity Interests or the New Warrants will develop. The liquidity of the Existing Inc. Equity Interests and the New Warrants will depend upon, among other things, the number of Holders of Existing Inc. Equity Interest and New Warrants, the Reorganized Debtors' financial performance and the market for similar securities, none of which can be determined or predicted. The Plan Proponent therefore cannot make assurances as to the development of an active trading market or, if a market develops, the liquidity or pricing characteristics of that market.

2. Trading Existing Inc. Equity Interests and New Warrants

Holders of Equity Interests that receive Existing Inc. Equity Interests and Exit Facility Lenders that receive New Warrants may seek to sell such securities in an effort to obtain liquidity. These sales and the volume of Existing Inc. Equity Interests and New Warrants available for trading could cause the trading price for the Existing Inc. Equity Interests or the New Warrants to be depressed, particularly in the absence of an established trading market for the stock.

3. Exercise Price Under Rights Offering

The ~~Per Share Price~~per share price for Inc. Common Stock offered pursuant to the Rights Offerings is based on certain assumptions, and does not necessarily reflect the Debtors' past operations, cash flows, net income or current financial condition, the book value of the Debtors' assets, the projected operations, cash flows, net income or financial condition of the Reorganized Debtors, the book value of the Reorganized Debtors' assets, or other established criteria for value. As a result, the Per Share Price should not be relied upon as an indication of the actual value of the Reorganized Debtors or the future trading price of the Inc. Common Stock or the New Warrants.

F. Additional Factors.

1. The Plan Proponent Has No Duty To Update.

The statements contained in the Harbinger Specific Disclosure Statement are made by the Plan Proponent as of the date hereof, unless otherwise specified herein, and the delivery of the Harbinger Specific Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. The Plan Proponent has no duty to update the Harbinger Specific Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

2. No Representations Outside The Joint Disclosure Statement.

No representations concerning or related to the Debtors, the Chapter 11 Cases, or the Harbinger Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in the Joint Disclosure Statement. Any representations or inducements made to secure acceptance or rejection of the Harbinger Plan that are other than as contained in, or included with, the Joint Disclosure Statement should not be relied upon by you in arriving at your decision.

3. No Legal or Tax Advice Is Provided To You By The Harbinger Specific Disclosure Statement.

The contents of the Harbinger Specific Disclosure Statement should not be construed as legal, business or tax advice. Each Holder of a Claim or Equity Interest should consult his, her or its own legal counsel and accountant as to legal, tax and other matters concerning his, her or its Claim or Equity Interest. The Harbinger Specific Disclosure Statement is not legal advice to you. The Harbinger Specific Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Harbinger Plan or object to Confirmation of the Harbinger Plan.

4. No Admission Made.

The Harbinger Plan and this Harbinger Specific Disclosure Statement is an offer to resolve the claims against and interests in the Debtors. Accordingly, nothing contained herein shall constitute an admission of, or be deemed evidence of, the tax or other legal effects of the

Harbinger Plan on the Debtors or on Holders of Claims or Equity Interests or be deemed an admission in any litigation to which Harbinger is a party.

VI.

CONFIRMATION OF THE HARBINGER PLAN

A. Requirements For Confirmation Of The Harbinger Plan.

1. Requirements of Section 1129(a) of the Bankruptcy Code.

(a) General Requirements.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the confirmation requirements specified in Section 1129 of the Bankruptcy Code have been satisfied. Such requirements are more fully set forth in Article IV.C of the General Disclosure Statement. Harbinger believe that the Harbinger Plan satisfies (or will satisfy on or prior to the Effective Date as required by law) these requirements, including for the reasons discussed in Article V.C above.

(b) The Best Interest Test and the Debtors' Liquidation Analysis.

Pursuant to Section 1129(a)(7) of the Bankruptcy Code ("Best Interest Test"), Holders of Allowed Claims and Interests must either (a) accept the Harbinger Plan or (b) receive or retain under the Harbinger Plan property of a value, as of the Harbinger Plan's assumed Effective Date, that is not less than the value such non-accepting Holder would receive or retain if the Debtors were to be liquidated under chapter 7 of the Bankruptcy Code ("Chapter 7").

The first step in meeting the Best Interest Test is to determine the dollar amount that would be generated from a hypothetical liquidation of the Debtors' assets and properties in the context of Chapter 7 cases. The gross amount of Cash available would be the sum of the proceeds from the disposition of the Debtors' assets and the Cash held by the Debtors at the time of the commencement of the Chapter 7 cases. The next step is to reduce that total by the amount of any Claims secured by such assets, the costs and expenses of the liquidation, and such additional administrative expenses and priority Claims that may result from the termination of the Debtors' businesses and the use of Chapter 7 for the purposes of liquidation. Any remaining net Cash would be allocated to Creditors and shareholders in strict priority in accordance with Section 726 of the Bankruptcy Code. Finally, taking into account the time necessary to accomplish the liquidation, the present value of such allocations may be compared to the value of the property that is proposed to be distributed under the Harbinger Plan on the Effective Date.

The Debtors' costs of liquidation under Chapter 7 would include the fees payable to a Chapter 7 trustee in bankruptcy, as well as those that might be payable to attorneys and other professionals that such a trustee may engage, plus any unpaid expenses incurred by the Debtors during the Chapter 11 Cases and allowed in the Chapter 7 cases, such as compensation for attorneys, financial advisors, appraisers, accountants and other professionals, and costs and expenses of members of the Creditors' Committee appointed by the ~~United States~~U.S. Trustee pursuant to Section 1102 of the Bankruptcy Code and any other committee so appointed.

Moreover, in a Chapter 7 liquidation, additional Claims would arise by reason of the breach or rejection of obligations incurred and executory contracts or leases entered into by the Debtors both prior to, and during the pendency of, the Chapter 11 Cases.

The foregoing types of Claims, costs, expenses, fees and such other Claims that may arise in a liquidation case would be paid in full from the liquidation proceeds before the balance of those proceeds would be made available to pay pre-Chapter 11 priority and unsecured claims. Under the absolute priority rule, no junior creditors would receive any distribution until all senior Creditors are paid in full, with interest, and no equity holder would receive any distribution until all Creditors are paid in full, with interest.

The Debtors, with the assistance of the restructuring and financial advisors, have prepared a hypothetical liquidation analysis ("Liquidation Analysis") in connection with the General Disclosure Statement. (*See* Exhibit C to the General Disclosure Statement.) The Plan Proponent adopts the Liquidation Analysis for illustrative purposes relating to the Harbinger Plan and the Harbinger Specific Disclosure Statement.

Given that the Harbinger Plan proposes to pay all Holders of Claims, Existing Inc. Preferred ~~Stock~~Units Equity Interests, and Existing LP Preferred ~~Stock~~Units Equity Interests in full, such plan by definition provides treatment at least as favorable as in a liquidation under Chapter 7. Moreover, after consideration of the effects that a Chapter 7 liquidation would have on the ultimate proceeds available for distribution to creditors in a Chapter 7 case, including (i) the increased costs and expenses of a liquidation under Chapter 7 arising from fees payable to a trustee in bankruptcy and professional advisors to such trustee, as well as potential added expenses related to FCC approvals arising from the liquidation process; (ii) where applicable, the erosion in value of assets in a Chapter 7 case in the context of the expeditious liquidation required under Chapter 7 and the "forced sale" atmosphere that would prevail; and (iii) substantial increases in claims which would be satisfied on a priority basis, the Plan Proponent has determined that Confirmation of the Harbinger Plan will provide each Creditor of the Debtors and each Holder of a Claim or Equity Interest with a recovery that substantially mitigates each of the foregoing risks. UNDERLYING THE LIQUIDATION ANALYSIS ARE NUMEROUS ESTIMATES AND ASSUMPTIONS MADE BY THE DEBTORS AND THEIR ADVISORS REGARDING LIQUIDATION PROCEEDS THAT, ALTHOUGH DEVELOPED AND CONSIDERED REASONABLE BY THE DEBTORS' MANAGEMENT AND THEIR ADVISORS, ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, REGULATORY AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES BEYOND THE CONTROL OF THE DEBTORS AND THEIR MANAGEMENT. FURTHERMORE, THE PLAN PROPONENT HAS NOT CONDUCTED AN INDEPENDENT ANALYSIS OF THE DEBTORS' LIQUIDATION ANALYSIS AND CANNOT ENSURE THE ACCURACY THEREOF. THERE CAN BE NO ASSURANCE THAT THE VALUES REFLECTED IN THE LIQUIDATION ANALYSIS WOULD BE REALIZED IF THE DEBTORS WERE, IN FACT, TO UNDERGO SUCH A LIQUIDATION. THE PLAN PROPONENT IS USING THE DEBTORS' ANALYSIS SOLELY FOR ILLUSTRATIVE PURPOSES.

(c) Feasibility.

The Bankruptcy Code requires a plan proponent to demonstrate that confirmation of a plan of reorganization is not likely to be followed by the liquidation or the need for further financial reorganization of a debtor unless so provided by the plan of reorganization. Attached hereto as Exhibit E is a projection of cash flow over the 12 month period following the Effective Date, prepared by the Plan Proponent, demonstrating the Reorganized Debtors' ability to meet their financial obligations under the Harbinger Plan, together with a schedule of sources and uses of consideration under the Harbinger Plan.

2. Requirements of Section 1129(b) of the Bankruptcy Code.

The Bankruptcy Court may confirm the Harbinger Plan over the rejection or deemed rejection of the Harbinger Plan by a Class of Claims or Interests if the Harbinger Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such Class. (*See* Article V.C above.)

(a) No Unfair Discrimination.

This test applies to Classes of Claims or Equity Interests that are of equal priority and are receiving different treatment under a plan of reorganization. The test does not require that the treatment be the same or equivalent, but that such treatment is "fair."

(b) Fair and Equitable Test.

This test applies to Classes of different priority (e.g., unsecured versus secured) and includes the general requirement that no Class of Claims receives more than 100% of the Allowed amount of the Claims in such Class. As to the dissenting Class, the test sets different standards depending on the type of Claims or Equity Interests in such Class:

Secured Claims. Each Holder of an Impaired ~~secured~~Secured Claim either (i) retains its Liens on the property (or if sold, on the proceeds thereof) to the extent of the Allowed amount of its secured Claim and receives deferred Cash payments having a value, as of the effective date of the Harbinger Plan, of at least the Allowed amount of such Claim, or (ii) receives the "indubitable equivalent" of its Allowed secured Claim.

Unsecured Claims. Either (i) each Holder of an Impaired unsecured Claim receives or retains under the Harbinger Plan property of a value equal to the amount of its Allowed unsecured Claim, or (ii) the Holders of Claims and Equity Interests that are junior to the Claims of the dissenting Class will not receive or retain any property under the Harbinger Plan.

Equity Interests. Either (i) such Equity Interest Holder will receives or retain under the Harbinger Plan property of a value equal to the greater of (a) the fixed liquidation preference or redemption price, if any, of such stock, and (b) the value of the stock, or (ii) the Holders of Equity Interests that are junior to the Equity Interests of the dissenting Class will not receive or retain any property under the Harbinger Plan.

The Plan Proponent believes that the Harbinger Plan satisfies both the "unfair discrimination" requirement and the "fair and equitable" requirement notwithstanding the rejection of the Harbinger Plan by any Class of Claims or Equity Interests.

3. Releases.

The Harbinger Plan, in contrast to the Ad Hoc Plan (defined below) does not provide for what Harbinger considers to be illegal releases in favor of the Ad Hoc Secured Group's (as defined below) handpicked favored parties. The Harbinger Plan provides only for traditional exculpation provisions in favor of the Debtors, the Lead Arranger, the DIP Lenders and Exit Facility Lenders and the Plan Proponent.

4. Exculpation and Injunction Provisions.

Except as otherwise specifically provided in the Harbinger 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 exculpated Claim, except for willful misconduct (including fraud) or gross negligence, 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 Harbinger Plan. The Exculpated Parties have, and upon Confirmation of the Harbinger 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 Harbinger 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 Harbinger Plan or such distributions made pursuant to the Harbinger Plan.

Except as otherwise expressly provided in the Harbinger Plan or for obligations issued pursuant to the Harbinger Plan, all Entities who have held, hold, or may hold Claims or Equity Interests that have been discharged pursuant to Article VIII.A of the Harbinger Plan or are subject to exculpation pursuant to Article VIII.D of the Harbinger Plan 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 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 Harbinger Plan. Nothing in the Harbinger 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.

VII.

ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE HARBINGER PLAN

If the Harbinger Plan is not confirmed and consummated, alternatives to the Harbinger Plan include (i) liquidation of the Debtors under Chapter 7 of the Bankruptcy Code, or (ii) confirmation of an alternative plan of reorganization proposed in the Chapter 11 Cases.

A. Liquidation Under Chapter 7.

If no plan can be confirmed, the Chapter 11 Cases may be converted to cases under Chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed to liquidate the assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a Chapter 7 liquidation would have on the recovery of Holders of Claims and Equity Interests and the Debtors' liquidation analysis are set forth in Article VI.A.1(b) above, entitled Confirmation of the Harbinger Plan; Requirements for Confirmation of the Harbinger Plan; The Best Interests Test and the Debtors' Liquidation Analysis. The Plan Proponent believes that liquidation under Chapter 7 would result in smaller distributions being made to Creditors than those provided for in the Harbinger Plan because the Harbinger Plan will pay all creditors and preferred shareholders in full. Moreover, a liquidation of the Debtors is undesirable because of (i) the likelihood that the assets of the Debtors would have to be sold or otherwise disposed of in a less orderly fashion over a shorter period of time; (ii) additional administrative expenses involved in the appointment of a Chapter 7 trustee; and (iii) additional expenses and Claims, some of which would be entitled to priority, which would be generated during the liquidation and from the rejection of ~~leases~~Unexpired Leases and other ~~executory contracts~~Executory Contracts in connection with a cessation of the Debtors' operations.

B. Alternative Chapter 11 Plans.

Certain parties, including (i) the Debtors, (ii) the Ad Hoc Secured Group of LightSquared LP Lenders ("Ad Hoc Secured Group") and (iii) U.S. Bank National Association and Mast Capital Management, LLC ("USB / MAST"), have proposed alternative plans of reorganization for one or more of the Debtors that contemplate a sale of the Debtors' spectrum assets. Although the Harbinger Plan is not without risks, as set forth in Article V above, all alternative plans (other

than the Harbinger Plan) are dependent upon sale of the Debtors' spectrum assets that will precipitate a longer and more complex review of transfer of control issues by the FCC compared with a review of the Harbinger Plan. Harbinger believes that a proposed sale of the spectrum involves a significant and complicated risk that will, at best, result in extensive delays in any other plan becoming effective, and, at worst, could result in the failure of the alternative plan after such lengthy delays. Moreover, Harbinger believes that a proposed sale of the Debtors' assets should only be pursued as a protective measure if the Debtors are unable to obtain relief from the FCC sufficient to meet the conditions of the Harbinger Plan. Otherwise, any proposed sale necessarily will shortchange the Debtors' estates and their creditors and interest holders of the enormous value to be realized upon FCC approval of LightSquared's proposed use of its spectrum assets. Indeed, the proponents of and stalking horse bidders under the Ad Hoc Plan and USB/Mast Plan have no incentive to maximize the sale proceeds beyond the amount needed to satisfy their own claims against the Debtors. Instead, they are content with the attempt by prospective purchasers to acquire the spectrum assets by seeking to purchase them for a fraction of their fair value. Given that the Harbinger Plan is the only plan that provides for full payment to creditors and preferred shareholders and the ability to go effective on a quicker timeline, Harbinger strongly believes that its plan is superior to all others.

Harbinger further provides the following evaluation of the plans proposed by the Ad Hoc Secured Group (the "Ad Hoc Plan") and USB/Mast (the "USB/Mast Plan").

1. The Ad Hoc Plan.

The Ad Hoc Plan contemplates the sale of LightSquared LP's assets (the "LP Sale"), consisting primarily of the L-Band spectrum and related contractual rights, pursuant to a public auction where ~~L-Band Acquisition LLC ("~~LBAC~~")~~, a subsidiary of DISH and under the control of Ergen, will serve as the stalking horse bidder. On October 7, 2013, the Ad Hoc Secured Group filed an amended version of the Ad Hoc Plan. The most significant change is that under the amended version the Effective Date will occur upon the closing date of the LP Sale rather than upon the funding date of the LP Sale. As a result, LightSquared LP will remain in bankruptcy pending the FCC approval process, which may be lengthy.

The movement of the Effective Date from the funding date to the closing date may also delay distributions to creditors under the Ad Hoc Plan. Other than the holders of Prepetition LP Facility Claims, including the proponents of the Ad Hoc Plan, who will receive an "interim distribution" on account of their secured claims, which the Ad Hoc Secured Group contends will stop the accrual of interest on such ~~claims~~Claims, no other ~~creditor or interest holder~~Holder of Claims or Equity Interests will receive any distribution on account ~~of their claims or interests~~thereof until after the FCC approval process is completed and the Effective Date occurs, unless the Bankruptcy Court enters further orders approving additional interim distributions ~~to creditors and interest holders~~.

Harbinger believes that the additional delay of the occurrence of the Effective Date may take years. It is undeniable that a transfer of control of the L-Band spectrum to LBAC is highly controversial and is without any guarantee of success. Harbinger believes this process alone could last well over a year. If the transfer of the L-Band spectrum to LBAC is denied, the FCC approval process would then start anew once LBAC procures a new purchaser. Indeed, there is

no guarantee when, or even if, LBAC will procure a new purchaser, nor is there any guarantee that the FCC will approve a transfer of the L-Band spectrum to such new purchaser. Accordingly, there is no guarantee when the Effective Date will occur or when creditors and interest holders of LightSquared LP will receive a distribution.

Although the amended Ad Hoc Plan purports to retain the Court's jurisdiction over the L-Band spectrum until the closing date, Harbinger believes such retention may be subject to numerous challenges, including on the grounds that the court may not retain jurisdiction for the sole benefit of a third party bidder when such exercise of jurisdiction may be without impact upon any other party in interest. From a practical perspective, Harbinger believes that the Ad Hoc Plan offers no insight into how such jurisdiction will be exercised, or how the Debtors will be operated, during a period that Harbinger believes will likely be measured in years from the confirmation date through the effective date.

Harbinger also believes that the Ad Hoc Plan also is beset with numerous other issues that were not cured by the filing of the amended version, including that the funding of the purchase price of the LP Sale on the funding date still constitutes a *de facto* transfer of control and therefore will not occur without prior FCC approval.

(a) Illegal Transfer Without FCC Approval.

The Ad Hoc Plan proposes that LBAC will purchase the spectrum prior to receiving FCC approval by creating what Harbinger considers to be a fictitious structure that is unworkable. The Ad Hoc Plan contends that, pending FCC approval of a transfer to LBAC, the spectrum will remain under the *de facto* control of LightSquared LP.

In reality, Harbinger believes there will likely be an impermissible *de facto* transfer of control without prior FCC approval because the Debtors' ongoing control of the spectrum will be entirely devoid of substance insofar as LBAC will hold 100% of the economic interest in the spectrum immediately, will have the ability to direct the Debtors to sell the spectrum to another buyer, will have substantial direct control over the Debtor entities including the filling of vacancies in LightSquared LP management, and will control LightSquared LP's funding needs. Harbinger believes that the FCC will deem this structure a *de facto* transfer of control and require LBAC, like all other potential buyers, to fully comply with applicable regulatory procedures by obtaining prior approval for the transfer of control that will occur immediately under the Ad Hoc Plan.

Because federal law prohibits *de facto* changes of control without prior FCC approval (*see e.g.*, 47 U.S.C. § 310(d)), Harbinger believes the Ad Hoc Plan cannot be confirmed under 11 U.S.C. §1129(a)(3).

The FCC has previously taken issue when full payment for FCC-licensed assets has been made in advance of securing FCC consent for the assignment or transfer of control of such licenses to the purchasing party. Specifically in the bankruptcy context, the FCC's Review Board designated the issue of a possible unauthorized transfer of control stating its concern that

"the entire purchase price has been prepaid and nothing remains to be paid upon approval of the transfer."[1] Citing that precedent, ten years later the FCC revoked an unauthorized transfer of control, concluding, among other factors stated: "[the FCC licensee] received the entire $50,000 purchase price and has kept it. Control by [the FCC licensee], we find, was transferred illegally."[2]

Similarly in the context of shared services agreements among broadcast stations that do not constitute a *de jure* transfer of control, the FCC has made clear when evaluating whether a *de facto* transfer has occurred "that a licensee must retain the economic incentive to control programming aired over its station."[3] In the absence of retention by the licensee of such economic interest, *de facto* control of the license may be attributed to the party that would be paying for the operation of the licensed facilities and spectrum -- here, the purchaser of the spectrum assets under the Ad Hoc Plan. Prior FCC consent for such purchaser to acquire lawfully such control would be required.

Indeed, the FCC, which has shown great interest in these Bankruptcy Cases and the potential transfer of the spectrum assets, has appeared specifically to voice its concerns with any sale or plan that attempts to circumvent its authority. At a September 30, 2013 hearing before the Bankruptcy Court, the FCC demanded that the bidding procedures in these cases contain specific language making absolutely clear that "no assignment or transfer of control of any rights and interests of the debtors in any federal license or authorization issued by the Federal Communications Commission shall take place prior to the issuance of FCC regulatory approval for such assignment, pursuant to the Communications Act of 1934 as amended, and the rules and regulations promulgated thereunder."[4] The FCC also stated that its staff already had "some concern that the LBAC proposal could be interpreted as a *de facto* unauthorized transfer of control of LightSquared's FCC authorizations."[5]

Over and above the very significant matter of requiring prior FCC consent to implement the Ad Hoc Plan, stripping the existing licensee of any incentive to make valuable use of the spectrum for which it is licensed while the purchaser decides whether to seek such licenses himself or find another buyer would raise significant policy concerns at the FCC regarding the warehousing of valuable spectrum. As proposed, for however long it takes the purchaser to decide whether even to seek FCC authorization for the spectrum itself and/or for another buyer to be sought, and then for the process of securing FCC consent for such an assignment, no one

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[1] *Arthur A. Cirilli*, 3 FCC 2d 893, 897, ¶9 (Rev. Bd. 1966).

[2] *Revocation of the licenses of Superior Communications Co., Inc. Licensee of stations KAQ73, KAQ74, and KAQ75, licensed in the Point to Point Microwave Radio Service*, Order of Revocation, 57 FCC 2d 772, 776, ¶16 (1976).

[3] *In the Matter of KHNL/KGMB License Subsidiary, LLC; Licensee of Stations KHNL(TV) and KGMB(TV), Honolulu, Hawaii And HITV License Subsidiary, Inc.; Licensee of Station KFVE(TV), Honolulu, Hawaii* , Memorandum Opinion and Order and Notice of Apparent Liability, 26 FCC Rcd 16087, 16093, ¶ 19 (Chief Media Bur. 2011).

[4] Transcript of Sept. 30, 2013 Hrg. at 83:24-84:13.

[5] *Ibid.* at 83:3-7.

would have any interest in the spectrum to develop it for any beneficial use. Such a strategy of putting valuable spectrum on hold while the purchaser develops his plans would be directly contrary to FCC policies. As the FCC stated when DISH (an Ergen-related entity) sought to continue to keep vacant a valuable orbital slot: "Allowing DISH to continue to suspend operations at a location that it has left vacant for over two years -- and for which it still has no committed plans -- would allow DISH to warehouse scarce orbit and spectrum resources, contrary to Commission policy."[6] The FCC might well reach the same conclusion here, particularly because DISH, as LBAC's corporate parent, has made no progress in developing the considerable amount of S-band spectrum that it acquired from DBSD and TerreStar out of bankruptcy.

(b) FCC Transfer of Control Approval Would Create Significant Delay.

It is inconceivable that any purchaser of the spectrum assets would be in a position to close on a purchase of such assets in an expedited time frame following confirmation of the Ad Hoc Plan. As the Effective Date of the Ad Hoc Plan cannot occur until the sale of assets has closed, Harbinger believes there will be a significant delay before any creditors, other than those creditors that hold Prepetition LP Facility Claims, receive any distribution on account of their claims under the Ad Hoc Plan.

First, before the FCC will give serious consideration to any request to approve a transfer of control, the exact terms of the proposed transaction, including the proposed assignee, need to be established, which would require confirmation of a plan.[7] The ~~confirmation hearing~~Confirmation Hearing in these cases is currently scheduled for December 10, 2013 and that is the very earliest that such approval process can likely begin. Then, before the FCC will act on an application to assign or transfer control of FCC licenses, it must issue a public notice accepting the application for filing and establish a pleading cycle in the public notice giving interested parties an opportunity to comment – typically 30 days for initial comments and 15 days for reply comments.

Moreover, given the stated plans of DISH to reconfigure usage of LightSquared's uplink and downlink L-band spectrum, the FCC may well require a rulemaking proceeding to effectuate such reconfiguration in addition to a transfer of control adjudicatory proceeding.[8]

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[6] *In the Matter of DISH Operating L.L.C. Application to Suspend Operations at the 148 [degrees] W.L. Orbital Location*, Memorandum Opinion and Order, 27 FCC Rcd 5923, 5923, ¶ 1 (Chief, Int'l Bureau 2011).

[7] The Bankruptcy Court recognized this at a September 30, 2013 hearing, observing correctly that: "In a million years the FCC's not going to give a -- going to come in and give a hypothetical view. I think it's only going to give its view when there's an application that's pending before it after a transaction leaves this building and goes up to them, or down to them -- . . . -- for approval." Transcript of Sept. 30, 2013 Hrg. at 86:7-13.

[8] When DISH acquired TerreStar and DBSD, it sought reconfiguration of their spectrum. The FCC denied DISH's request to authorize this reconfiguration on a waiver basis, and it instead initiated a rulemaking proceeding to consider the changes DISH had proposed. *See Service Rules for Advanced Wireless Services in the 2000-2020 MHz and 2180-2200 MHz Bands*, Report and Order and Order of Proposed Modification, FCC 12-151 (Dec. 17, 2012) at ¶ 14. Based on this precedent, a rulemaking proceeding is the likely course of action for the FCC if DISH

In a significant transaction, such as the transfer of control of LightSquared, the public notice and comment period alone consumes two to three months.[9] Once the comment period closes, the comments need to be evaluated and an order must be drafted. Given the significant issues that would be presented in an Ergen acquisition of LightSquared or, for that matter, an Ergen-directed transfer of control of LightSquared, the transfer application will be addressed at the FCC level, which involves an additional level of review involving the commissioners and their staff. In view of the complex issues presented in any transfer of control of LightSquared's spectrum and in particular by an Ergen acquisition or an Ergen-directed transfer of control of LightSquared, Harbinger believes FCC processing of the applications necessitated by the Ad Hoc Plan could well take one to one and a half years to review as to transfer of control issues alone.[10]

Such delays will harm the Debtors, their estates and all stakeholders if, as a result, the Debtors are forced to deplete their liquidity and run out of ~~cash~~Cash. According to the Debtors, they have sufficient ~~cash~~Cash to last through sometime in December 2013 to February 2014. The Ad Hoc Plan – while imposing extensive emergence delays keeping the Debtors in bankruptcy into mid-2014 and likely beyond – provides no financing to enable the Debtors to get to an effective date. In contrast, the Harbinger Plan provides necessary additional financing through the New DIP ~~feature of the Exit~~ Facility, which is designed to fund the Debtors through at least June 2014.

(c) DISH, As Corporate Parent Of LBAC, Further Complicates The Ad Hoc Plan.

An FCC application seeking authority for DISH to acquire LightSquared would raise multiple issues that would require careful FCC consideration. Stanton Dodge, DISH's Executive Vice President, has acknowledged that when it comes to combining LightSquared's spectrum with DISH's existing spectrum, "[t]here are lots of hoops to jump through from a regulatory point of view."[11] It is a virtual certainty that multiple parties would oppose the application vigorously. Grant of this application would give DISH an interest in large swathes of spectrum that can be used to provide broadband services, including the terrestrial portion of LightSquared's spectrum; the terrestrial portion of the spectrum DISH acquired from TerreStar and DBSD; and 700 MHz spectrum a DISH affiliate acquired at auction. The FCC, not to mention the Department of Justice, would need to evaluate whether the consolidation of this

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seeks to reconfigure LightSquared's spectrum and to reconfigure further the spectrum DISH acquired from TerreStar and DISH.

[9] For example, in the SoftBank-Sprint transaction, the FCC applications were filed on November 15, 2012, and the initial pleading cycle did not close until two and one-half months later, on February 1, 2013. The FCC subsequently extended the pleading cycle through February 25, 2013, which was more than three months from the date the applications were filed.

[10] For example, in large transactions in recent times that required FCC approval, the-filing-to closing period for Sirius-XM was 17 months; for Frontier-Verizon it was 14 months; for Comcast-NBCU it was 13 months; for AT&T-Qualcomm it also was 13 months; and for Qwest-CenturyLink it was 12 months.

[11] Communications Daily (Aug. 22, 2013) at 1.

spectrum in DISH's hands would have an anti-competitive impact in the broadband market. The FCC and the Department of Justice also would have to consider whether giving DISH control over the mobile satellite spectrum held by LightSquared and the mobile satellite spectrum formerly held by TerreStar and DBSD would give rise to undue concentration. In addition, given DISH's failure to construct network facilities using the S-band spectrum it acquired from TerreStar and DBSD, a DISH application would involve significant spectrum speculation and warehousing issues.

DISH's plan to reconfigure the uplink and downlink designations for LightSquared's spectrum and the spectrum DISH acquired from TerreStar and DBSD[12] adds a significant layer of complexity to the transfer application, in addition to the necessity of a separate rulemaking proceeding, as noted above. The FCC would need to address whether this plan would be the source of unacceptable interference to adjacent bands, including the GPS band, and would have to consider the impact of the plan on other users of LightSquared's spectrum, including Inmarsat and its Department of Defense customers.

(d) The Asset Purchase Agreement Contemplated By The Ad Hoc Plan Requires Consent of Entities Who Are Not Parties To The Sale.

Section 7.1(a) of the ~~Asset Purchase Agreement~~LBAC asset purchase agreement ("LBAC APA") requires, as a condition to funding, that the parties to the ~~Asset Purchase Agreement~~LBAC APA obtain all consents and approvals required to assign that certain Inmarsat Cooperation Agreement to the purchaser. The assignment of the Inmarsat Cooperation Agreement is a critical part of the sale. However, two of the parties to the Inmarsat Cooperation Agreement, LightSquared Inc. and Inmarsat Global Limited, are not parties to the ~~Asset Purchase Agreement~~LBAC APA or part of the Ad Hoc Plan (indeed, Inmarsat Global Limited is not even a debtor in these Chapter 11 Cases) and there is no assurance that the requisite consents and approvals to effectuate the assignment will be obtained. Moreover, the ability to obtain such consents and approvals is out of the control of the parties to the ~~Asset Purchase Agreement~~LBAC APA. In contrast, the assignment of the Inmarsat Cooperation Agreement is not an issue in the Harbinger Plan. In addition, the transaction contemplated by the Ad Hoc Plan would likely create a tax liability that would impair valuable tax attributes of LightSquared Inc. because the Debtors report on a consolidated basis.

(e) The Ad Hoc Plan Cannot Provide For The Sale Of Assets Non-Ad Hoc Plan Debtor.

The Ad Hoc Plan impermissibly contemplates a sale of assets by Debtors that are not reorganized through the Ad Hoc Plan.

(f) LBAC Is Not A Good Faith Purchaser and the Ad Hoc Plan is Not Proposed in Good Faith.

Harbinger believes that SPSO and LBAC have not acted in good faith during the pendency of these Chapter 11 Cases. Courts have held that misconduct including fraud,

[12] *See* Communications Daily (Aug. 22, 2013) at 1-3.

concealment of material facts, or other attempts to take grossly unfair advantage of other bidders destroys a purchaser's good faith.

As more fully described in Article II.B.4(a) above and in Article III.D.3 of the General Disclosure Statement, in the Ergen Adversary ~~Proceeding~~, Harbinger has brought claims against SPSO, LBAC and others that Harbinger believes establish that LBAC is not a good faith purchaser and that SPSO, a proponent of the Ad Hoc Plan, has not acted in good faith. Moreover, it is telling that at least four derivative shareholder suits have been filed against DISH and its directors, including Ergen, arising out of Ergen's debt purchases through SPSO and DISH's disbandment of a two member special committee after it approved LBAC's bid, which caused one of the two independent committee members to resign in protest. The lawsuits allege *inter alia*, that Ergen breached his fiduciary duty to DISH's shareholders who should benefit from any profit Ergen makes off SPSO's his debt purchases.

Moreover, the Claims and Equity Interests asserted by SPSO and any other Ergen-related parties against LightSquared LP are Disputed and will be paid in full in the consideration referred to in Article III hereof only if, and to the extent such Claims and Interests are Allowed pursuant to a Final Order of the Bankruptcy Court.

As such, Harbinger believes that (a) LBAC is not entitled to a finding of good faith within the meaning of Section 363(m) of the Bankruptcy Code and (b) that the Ad Hoc Plan does not satisfy the requirements in Section 1129(a)(3) of the Bankruptcy Code. In addition, Harbinger believes that the FCC, which considers (among other things) the character of an applicant seeking approval to hold spectrum assets, may not approve an application submitted by LBAC.

LBAC, DISH, SPSO and Ergen dispute the foregoing allegations in their entirety.

2. The USB/Mast Plan.

The USB/Mast Plan contemplates the sale of One Dox Six Corp.'s assets to an affiliate of Mast Capital Management, LLC ("Mast") through a credit bid of Mast's secured debt.

Like the Ad Hoc Plan, the USB/Mast Plan contemplates a closing on a purchase of spectrum assets in a three or four month time frame, which is not likely achievable. As discussed in Article VII.B.1(b) above, it is likely the FCC would not seriously consider any transfer of control application until after confirmation of a plan, and from there the review process is unlikely to conclude before mid-2014. Yet, the USB/Mast Plan does not provide any source of funding to permit the Debtors to continue to operate past December 31, 2013 when their cash collateral authority expires. As such, the delays inherent in the USB/Mast Plan are likely to harm the Debtors, their estates and all stakeholders by causing the Debtors to exhaust all available cash. Like the LBAC ~~asset purchase agreement~~APA, the Mast bid anticipates the use or acquisition of assets of other Debtors through a "transition services agreement" that is not defined or explained, and it is likely to impair valuable tax attributes of LightSquared Inc., a debtor that is not subject to the USB/Mast Plan, without adequate consideration.

In addition, the USB/Mast Plan seeks to reap a massive windfall for Mast. It provides for Mast to acquire the One Dot Six spectrum at a small fraction of its fair value. While the USB/Mast Plan is nominally subject to higher and better offers in an auction process, Mast has rejected all efforts to afford the Debtors sufficient liquidity to manage an orderly sales process. In pushing for a fire-sale environment, Mast apparently hopes that no bidders will emerge and that its heavily discounted bid will prevail. Harbinger believes that Mast is well aware that the value of its collateral substantially exceeds the amount of its debt and that Mast is seeking to recover under its plan a substantial premium to its allowed claim.

CONCLUSION

Harbinger respectfully submits that its plan maximizes the value of the Debtors' estates, provides for the Debtors' to achieve their goals of obtaining critical FCC relief and repaying all their creditors and preferred shareholders in full, and minimizes to the greatest possible extent the enormous risk and delay of approval of a transfer of control. For these reasons, Harbinger urges all creditors and shareholders entitled to vote to accept the Harbinger Plan.

Dated: ~~October 9,~~December 11, 2013
New York, New York

By: /s/ David M. Friedman
David M. Friedman
Adam L. Shiff
Daniel A. Fliman
Matthew B. Stein
KASOWITZ, BENSON, TORRES
& FRIEDMAN LLP
1633 Broadway
New York, New York 10019
Telephone: (212) 506-1700
Facsimile: (212) 506-1800

Attorneys for Harbinger Capital Partners LLC

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