

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:)	
)	Chapter 11
TERRESTAR NETWORKS INC., <i>et al.</i> , ¹)	
)	Case No. 10-15446 (SHL)
)	
Debtors.)	Jointly Administered
)	

VOTING AND TABULATION PROCEDURES

Pursuant to the *Order (A) Fixing Dates and Deadlines Related to Confirmation of the Plan; (B) Approving Procedures for Soliciting and Tabulating the Votes On, and for Objecting to, the Plan; (C) Approving the Manner and Form of Notices and Documents Relating to the Plan; (D) Approving Rights Offering Procedures; and (E) Authorizing the Employment and Retention of Epiq Bankruptcy Solutions, LLC as Subscription Agent* (the “**Order**”), the following procedures (the “**Voting and Tabulation Procedures**”) are adopted with respect to the return and tabulation of Ballots, Note Ballots and Master Ballots with respect to votes to accept or reject the Plan.²

A. Procedures to Tabulate all Ballots and Master Note Ballots:

- i. except in the TSN Debtors’ sole discretion, or as otherwise expressly set forth herein, or by a final order of the Court, each and every Ballot, Note Ballot or Master Note Ballot that is not timely submitted on or before the Voting Deadline shall not be counted;
- ii. the Claims Agent shall date and time-stamp all Ballots and Master Note Ballots when received. The Claims Agent shall retain originals and copies of all Ballots

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer identification number, are: TerreStar New York Inc. (6394), TerreStar Networks Inc. (3931), Motient Communications Inc. (3833), Motient Holdings Inc. (6634), Motient License Inc. (2431), Motient Services Inc. (5106), Motient Ventures Holding Inc. (6191), MVH Holdings Inc. (9756), TerreStar License Inc. (6537), TerreStar National Services Inc. (6319), TerreStar Networks Holdings (Canada) Inc. (1337), TerreStar Networks (Canada) Inc. (8766), and 0887729 B.C. Ltd. (1345).

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

and Master Note Ballots for a period of one year after the effective date of the Plan, unless otherwise ordered by the Court;

- iii. each party permitted to submit a Ballot or Master Note Ballot shall submit an originally executed version of such Ballot or Master Note Ballot in paper form to the Claims Agent. Submission of a Ballot or Master Note Ballot by facsimile, email or any other electronic means shall not be valid and the TSN Debtors shall decline to count such Ballot or Master Note Ballot in tabulating votes to accept or reject the Plan;
- iv. the TSN Debtors shall file a report of all votes received (a “***Voting Report***”) with the Court no later than seven calendar days before the Confirmation Hearing. The Voting Report shall, among other things, delineate every irregular Ballot and Master Note Ballot including, without limitation, those Ballots and Master Note Ballots that are late or (in whole or in material part as determined by the Claims Agent) illegible, unidentifiable, lacking signatures or lacking necessary information, received via facsimile or electronic mail or damaged. The Voting Report shall indicate the TSN Debtors’ intentions with regard to such irregular Ballots and Master Note Ballots;
- v. the method of delivery of Ballots or Master Note Ballots to the Claims Agent is at the election and risk of each holder of a Claim. Except as otherwise provided herein, such delivery will be deemed made only when the Claims Agent **actually receives** the originally executed Ballot or Master Note Ballot;
- vi. no Ballot, Note Ballot or Master Note Ballot shall be sent to any of the TSN Debtors, the TSN Debtors’ agents (other than the Claims Agent), the indenture trustees or the TSN Debtors’ financial or legal advisors and if so sent shall not be counted and debt instruments or securities should not be sent with any Ballots, Note Ballots or Master Note Ballots;
- vii. except in the TSN Debtors’ sole discretion, if multiple Ballots, Note Ballots or Master Note Ballots are received from the same holder of a Claim with respect to the same Claim before the Voting Deadline, the last valid Ballot, Note Ballot or Master Note Ballot timely received will supersede and revoke in its entirety any previously received Ballot, Note Ballot or Master Note Ballot;
- viii. except in the TSN Debtors’ sole discretion, if Ballots, Note Ballots or Master Note Ballots are received from a holder of a Claim and the holder’s attorney or legal representative with respect to the same claim before the Voting Deadline, the last valid Ballot, Note Ballot or Master Ballot timely received will supersede and revoke in its entirety any previously received Ballot, Note Ballot or Master Note Ballot;
- ix. holders must vote all of their Claims within a particular Class either to accept or reject the Plan and may not split any such votes. A Ballot, Note Ballot or Master Note Ballot that includes an individual Claim, the amount of which partially

rejects and partially accepts an individual Plan, shall not be counted. Further, if a holder has multiple Claims within the same Class, the TSN Debtors may, in their discretion, aggregate the Claims of any particular holder within a Class for the purpose of counting votes;

- x. a person signing a Ballot or Note Ballot in its capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation or otherwise acting in a fiduciary or representative capacity must indicate such capacity when signing and, if required or requested by the applicable Nominee or its agent, the Claims Agent, the TSN Debtors or the Court, must submit proper evidence to the requesting party to so act on behalf of such holder or beneficial holder;
- xi. the TSN Debtors, in their sole discretion, subject to contrary order of the Court, may waive any defects or irregularities as to any particular Ballot, Note Ballot or Master Note Ballot at any time, either before or after the close of voting, and any such waivers shall be documented in the Voting Report;
- xii. neither the TSN Debtors, nor any other party (at the direction of counsel of the Debtors), shall be required to provide notification of defects or irregularities with respect to delivered Ballots, Note Ballots and Master Note Ballots other than as provided in the Voting Report (although such parties are authorized to provide such notification), nor will any such party incur any liability for failure to provide such notification;
- xiii. unless waived by the TSN Debtors in their sole discretion and subject to contrary order of the Court, any defects or irregularities in connection with the delivery of a Ballot, Note Ballot or Master Note Ballot must be cured before the Voting Deadline or such Ballots, Note Ballots or Master Note Ballots will not be counted in voting to accept or reject the Plan;
- xiv. subject to any contrary order of the Court, the TSN Debtors reserve the right to reject any and all Ballots, Note Ballots and Master Note Ballots not in proper form, the acceptance of which, in the opinion of the TSN Debtors, would not be in accordance with the provisions of the Bankruptcy Code or the Bankruptcy Rules; *provided* that any such rejections shall be documented in the Voting Report; and
- xv. the following Ballots, Note Ballots and Master Note Ballots shall not be counted in determining the acceptance or rejection of the Plan: (i) any Ballot, Note Ballot or Master Note Ballot that is illegible or contains insufficient information to permit the identification of the holder of the claim; (ii) any Ballot, Note Ballot or Master Note Ballot cast by a party that does not hold a Claim in a Class that is entitled to vote on the Plan; (iii) any Ballot, Note Ballot or Master Note Ballot cast for a Claim scheduled as contingent, unliquidated or disputed for which the applicable Bar Date has passed and no proof of claim was timely filed; (iv) any unsigned Ballot, Note Ballot or Master Note Ballot; (v) any Ballot, Note Ballot or Master Note Ballot not marked to accept or reject the Plan, or that indicates both an acceptance and rejection of the Plan; (vi) any Ballot or Master Note Ballot

submitted by any entity not entitled to vote pursuant to the procedures described herein; and (vii) any Ballot, Note Ballot or Master Note Ballot submitted without an original signature.

B. Procedures to Tabulate Votes Submitted by the Beneficial Holders of Claims:

- i. no later than three weeks before the Voting Deadline, the Claims Agent shall distribute or cause to be distributed the appropriate number of copies of Master Note Ballots to each Nominee identified by the Claims Agent as a party through which beneficial holders hold their claims relating to the Debtors' publicly traded securities;
- ii. any Nominee that is a holder of record with respect to securities shall vote on behalf of beneficial holders of such securities by: (i) immediately distributing the Solicitation Package, including Note Ballots, it receives from the Claims Agent to all such beneficial holders; (ii) promptly collecting Note Ballots from such beneficial holders that cast votes on the Plan; (iii) compiling and validating the votes and other relevant information of all such beneficial holders on the Master Note Ballot; and (iv) transmitting the Master Note Ballot to the Claims Agent by the Voting Deadline;
- iii. any beneficial holder holding securities as a record holder in its own name shall vote on each of the applicable Plans by completing and signing a Note Ballot and returning it directly to the Claims Agent on or before the Voting Deadline;
- iv. the indenture trustees will not be entitled to vote or tabulate votes on behalf of beneficial holders; rather, each such beneficial holder must submit his or her own Note Ballot in accordance with the beneficial holder voting procedures;
- v. any beneficial holder holding securities in "street name" through a Nominee (*i.e.*, a brokerage firm, commercial bank, trust company or other nominee (or an agent thereof) or agent) must vote on the Plan through such Nominee by completing and signing the Note Ballot and returning such Ballot to the appropriate Nominee as promptly as possible and in sufficient time to allow such Nominee to process the Note Ballot and return the Master Note Ballot to the Claims Agent before the Voting Deadline. Any beneficial holder holding securities in "street name" that submits a Note Ballot to the TSN Debtors, the TSN Debtors' agents or the TSN Debtors' financial or legal advisors will not have such Note Ballot counted for purposes of accepting or rejecting the Plan;
- vi. any Note Ballot returned to a Nominee by a beneficial holder shall not be counted for purposes of accepting or rejecting the Plan until such Nominee properly completes and delivers to the Claims Agent a Master Note Ballot that reflects the vote of such beneficial holders by the Voting Deadline or otherwise validates the Note Ballot in a manner acceptable to the Claims Agent. Nominees shall retain all Note Ballots returned by beneficial holders for a period of one year after the effective date of the Plan;

- vii. if a beneficial holder holds securities through more than one Nominee or through multiple accounts, such beneficial holder may receive more than one Note Ballot and each such beneficial holder should execute a separate Note Ballot for each block of securities that it holds through any Nominee and vote in the same manner to accept or reject (cannot split the vote) and must return each such Note Ballot to the appropriate Nominee; and
- viii. if a beneficial holder holds a portion of its securities through a Nominee or Nominees and another portion in its own name as the record holder, such beneficial holder should follow the procedures described in this subsection to vote the portion held in its own name and to vote the portion held by the Nominee(s).

C. Establishing Claim Dollar Amounts and Numerosity.

- i. In tabulating votes, the following hierarchy shall be used to determine the claim amount associated with each creditor's vote
 - a. The claim amount allowed pursuant to an order of the Court, or allowed temporarily for voting purposes pursuant to Bankruptcy Rule 3018(a), or the claim amount settled and/or agreed upon by the Debtors prior to the Voting Record Date, as reflected in a court pleading, stipulation, term sheet, agreement or other document filed with the Court or in a document executed by the Debtors pursuant to authority granted by the Court;
 - b. the claim amount listed in the Schedules (provided that such claim is not scheduled as contingent, disputed or unliquidated, or in an unknown or zero amount); provided however to the extent unsecured creditors timely filed proofs of claim by the relevant claims bar date (or deemed timely filed by the Court under applicable law) asserting a claim amount other than the amount listed in the Schedules, then the claim amount listed in the timely filed proof of claim will count as the claim amount associated with the respective unsecured creditor's vote; provided, however, that Ballots cast by creditors whose claims are not listed on the Debtors' Schedules, but who timely filed proofs of claim in partially liquidated amounts and partially unliquidated amounts that are not the subject of an objection filed before the Voting Deadline, will count as Ballots for claims in the amount of the liquidated amounts stated in the proofs of claim; provided further, however, that Ballots cast by creditors whose claims are not listed on the Schedules, but who timely filed proofs of claim in wholly unliquidated or unknown amounts that are not the subject of an objection filed before the Voting Deadline, will count for satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code, and will count as ballots for claims in the amount of \$1.00 solely for the purposes of satisfying the dollar amount provisions

of section 1126(c) of the Bankruptcy Code; provided further, however, that to the extent the claim amount contained in a proof of claim is different from the claim amount set forth in an order, pleading, stipulation, term sheet, agreement or other document filed with the Court as referenced in subparagraph (a) above, the claim amount in the order, pleading, stipulation, term sheet, agreement or other document filed with the Court shall supersede the claim amount set forth on the respective proof of claim; and

- c. the claim amount set forth in an order, pleading, stipulation, term sheet, agreement or other document filed with the Court shall supersede the claim amount set forth on the respective proof of claim.
- ii. if a party that is entitled to vote has more than one claim (either scheduled or filed or both) against one or more of the Debtors based upon different transactions, said party shall be entitled to one vote for numerosity purposes in the aggregate dollar amount of all of said claims. If a party that is entitled to vote has claims (either scheduled or filed or both) against more than one of the Debtors based on the same transaction (*e.g.*, a claim against one Debtor that was guaranteed by another Debtor), said party shall be entitled to one vote for numerosity purposes in a dollar amount based upon its claim against one of the Debtors; and
- iii. the claim amount established pursuant to this section shall control for voting purposes only, and shall not constitute the allowed amount of any claim.

D. Criteria to Tabulate Note Ballots and Master Note Ballots Cast by Nominees and Beneficial Holders of Claims:

- i. votes cast by beneficial holders through Nominees will be applied to the applicable positions held by such Nominees in Class 3 as of the Voting Record Date, as evidenced by the record and depository listings. Votes submitted by a Nominee, whether pursuant to a Master Note Ballot or prevalidated Note Ballot, will not be counted in excess of the amount of such securities held by such Nominee as of the Voting Record Date;
- ii. if conflicting votes or “over-votes” are submitted by a Nominee, whether pursuant to a Master Note Ballot or prevalidated Note Ballot, the TSN Debtors will use reasonable efforts to reconcile discrepancies with the Nominees;
- iii. if over-votes on a Master Note Ballot or prevalidated Note Ballot are not reconciled before the preparation of the vote certification, the TSN Debtors shall apply the votes to accept and to reject the Plan in the same proportion as the votes to accept and to reject the Plan submitted on the Master Note Ballot or prevalidated Ballot that contained the overvote, but only to the extent of the Nominee’s position in Class 3;

- iv. for purposes of tabulating votes, each Nominee or beneficial holder will be deemed to have voted the principal amount of its claims in Class; and
- v. a single Nominee may complete and deliver to the Claims Agent multiple Master Note Ballots. Votes reflected on multiple Master Note Ballots will be counted, except to the extent that they are duplicative of other Master Note Ballots. If two or more Master Note Ballots are inconsistent, the latest valid dated Master Note Ballot received prior to the Voting Deadline will, to the extent of such inconsistency, supersede and revoke any prior Master Note Ballot.