

PLAN SUPPORT AGREEMENT

This Plan Support Agreement (the “Agreement”), dated as of October 19, 2010, is made by and among (i) TerreStar Networks Inc., TerreStar New York Inc., Motient Communications Inc., Motient Holdings Inc., Motient License Inc., Motient Services Inc., Motient Ventures Holding Inc., MVH Holding Inc., TerreStar License Inc., TerreStar National Services Inc., 0887729 B.C. Ltd., TerreStar Networks Holdings (Canada) Inc., TerreStar Networks (Canada) Inc. (collectively, the “TSN Debtors”), TerreStar Corporation and TerreStar Holdings Inc. (together, the “TSC Entities” and collectively with the TSN Debtors, the “Company”), and (ii) the undersigned holders in each and every capacity in which each such holder holds a Claim against or Interest in, the TSN Debtors (each, a “Plan Sponsor,” and, collectively, the “Plan Sponsors”), each of which is a signatory hereto and a holder of equity interests in (“Interests”) and/or claims (as defined in section 101(5) of Title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the “Bankruptcy Code”)) against the TSN Debtors (the “Claims”) arising under or in connection with, among other things (a) that certain TerreStar-2 Purchase Money Credit Agreement, dated February 5, 2008, among TerreStar Networks Inc., as borrower, U.S. Bank National Association, as collateral agent (in such capacity, the “PMCA Agent”), the guarantors party thereto from time to time, and Harbinger Capital Partners Master Fund 1, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and EchoStar Corporation, as lenders (the “PMCA”), and (b) the 15.0% senior secured payment-in-kind notes due 2014 issued pursuant to the Indenture, dated as of February 14, 2007, among TerreStar Networks Inc., as issuer, U.S. Bank National Association, as indenture trustee (in such capacity, the “Senior Secured PIK Notes Indenture Trustee”), and the guarantors from time to time party thereto (as amended, restated, supplemented or otherwise modified from time to time, the “Senior Secured PIK Notes Indenture”); and/or (c) the 6.5% senior exchangeable payment-in-kind notes due 2014 pursuant to the Indenture, dated as of February 7, 2008, among TerreStar Networks Inc., as issuer, U.S. Bank National Association, as indenture trustee (in such capacity, the “Exchangeable PIK Notes Indenture Trustee” and, together with the PMCA Agent and Senior Secured PIK Notes Indenture Trustee, the “Agents/Trustees”), and TerreStar Corporation and the guarantors party thereto (as amended, restated, supplemented or otherwise modified from time to time, the “Exchangeable PIK Notes Indenture” and, collectively with the PMCA and Senior Secured PIK Notes Indenture, the “Credit Documents”). For the avoidance of doubt, the Plan Sponsors hereunder, in the aggregate, hold more than 50% in amount of Claims arising under the Senior Secured PIK Notes Indenture (the “Senior Secured PIK Notes Claims”). The Company and the Plan Sponsors are each referred to herein as a “Party”, and collectively, as the “Parties”.

RECITALS

WHEREAS, the Company has determined that it would be in its best interests to engage in a restructuring or recapitalization concerning or impacting, *inter alia*, the balance sheet of the TSN Debtors (the “Transaction”); and

WHEREAS, the Plan Sponsors and the Company have negotiated and agreed on the material terms of the Transaction; and

WHEREAS, the material general terms of the Transaction are memorialized in the term sheet attached hereto as Exhibit A (as it may be amended pursuant to terms thereof, the

“Restructuring Term Sheet”),¹ and the Debtor-In-Possession Credit, Security & Guaranty Agreement among the TSN Debtors, the Plan Sponsor and the other lenders that may become party thereto from time to time, and The Bank of New York Mellon, as Administrative Agent and Collateral Agent, attached hereto as Exhibit B (as it may be amended pursuant to the terms thereof, the “DIP Agreement,” and together with the Restructuring Term Sheet, the “Restructuring Documents”), which are incorporated herein and are made part of this Agreement, including, without limitation, all provisions thereof relating to the Sponsor Termination Events and the Company Termination Events; and

WHEREAS, the Parties intend to implement the Transaction through a plan of reorganization for the TSN Debtors to be confirmed in bankruptcy cases (the “Bankruptcy Cases”) to be commenced by the TSN Debtors by filing voluntary petitions under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) substantially on the terms set forth in the Restructuring Term Sheet (the “Plan”); and

WHEREAS, in connection with the Bankruptcy Cases, TerreStar Networks Inc., as foreign representative to the TSN Debtors, intends to commence recognition proceedings (the “Canadian Recognition Proceedings”) on behalf of all of the TSN Debtors before the Ontario Superior Court of Justice (Commercial List) (the “Canadian Court”) pursuant to Part IV of the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended; and

WHEREAS, subject to execution of definitive documentation and, as required, appropriate approvals of the Bankruptcy Court and/or the Canadian Court, the following sets forth the agreement between the Parties concerning their respective obligations.

NOW, THEREFORE, in consideration of the foregoing, the Parties agree as follows:

AGREEMENT

Section 1. Plan Sponsors’ Commitments Regarding Transaction.

1.01. Voting on the Plan

Each Plan Sponsor agrees that, for as long as it is a holder of a Claim or Interest, it shall (a) when properly solicited pursuant to the requirements of the Bankruptcy Code, subject to the acknowledgements contained in Section 6 hereof, timely vote all of its Claims and if applicable Interests to support the Plan and not revoke, change or withdraw such vote (or cause such vote to be revoked, changed or withdrawn); (b) not consent to, vote for or otherwise seek, support, solicit, encourage or consent to, either directly or indirectly, any other plan of reorganization or liquidation for the TSN Debtors, or dissolution, winding up, or restructuring of the TSN Debtors; (c) not object to, oppose or otherwise interfere with, and cause its controlled affiliates (as defined in the Bankruptcy Code) to not object to, oppose or otherwise interfere with, the confirmation of the Plan or other provisions of the Restructuring Documents; or (d) not take any other action that

¹ Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Restructuring Term Sheet.

is inconsistent with, or that would delay, hinder or prevent, the Transaction on the terms and conditions set forth herein and in the Restructuring Documents; provided, however, (x) the material terms of any agreement implementing the Transaction, including, without limitation, the Plan, embody and are consistent with the terms and conditions set forth in the Restructuring Documents, unless otherwise agreed to by the Parties (y) the Plan, the related disclosure statement (the “Disclosure Statement”), any and all pleadings seeking relief in connection with the contemplated DIP Financing, and any and all other documents contemplated in the Restructuring Documents are reasonably satisfactory to the Plan Sponsors, and (z) no Sponsor Termination Event shall have resulted in the termination of the Restructuring Term Sheet in accordance with its terms (a “Sponsor Termination”).

1.02. Forbearance from Exercising Remedies

Each Plan Sponsor (including the Agents/Lenders in their capacity as such) hereby agrees, as long as the Company is in compliance with this Agreement and the Restructuring Documents, including, without limitation, the various target dates for certain actions and events set forth in the Restructuring Documents, to forbear: (a) through the filing of the Bankruptcy Cases (the “Petition Date”), from exercising any rights or remedies under the Credit Documents, except with respect to any defaults arising under: (i) any of the following clauses of section 7.01 of the PMCA: (a), (b), (c) (other than based upon a failure to comply with Section 6.07 of the PMCA), (d) (based upon a failure to comply with any of the following sections of the PMCA: 5.01, 5.03, 5.09, 5.11, 5.12, 5.14, 5.15, and 5.16), (f), (g), (h), (i), (l) (m), (n), (o), (p) (q) and (r); or (ii) any of the following clauses of section 6.01(a) of the Senior Secured PIK Notes Indenture: (1), (2), (3), (4) (other than as it relates to Section 5.07 of the Senior Secured Notes PIK Indenture), (6), (8), (9), (10), (11) and (12); and (b) after the Petition Date through the Effective Date, from seeking the lifting of the automatic stay to exercise any rights or remedies under the Credit Documents, provided, however, that the Plan Sponsors shall retain all rights and remedies set forth in the Restructuring Documents and/or available to them under any document governing the DIP Facility.

1.03. Transfer of Claims/Further Acquisitions

For a period commencing as of the date hereof until the occurrence of a Sponsor Termination, each of the Plan Sponsors hereby agrees not to (i) sell, assign, transfer, hypothecate or otherwise dispose of, directly or indirectly, any Claim or Interest, unless the transferee (such transferees, if any, to also be “Plan Sponsors” hereunder with regard to each and every Claim or Interest they may have) agrees in writing, by delivering a joinder in the form annexed as Exhibit C hereto to this Agreement to the Existing Agent and the Company, to be bound by this Agreement and the Restructuring Documents; or (ii) grant any proxies, deposit its Claim into a voting trust, or enter into a voting agreement or any similar agreement with respect thereto, unless any such arrangement provides, in writing, in a form reasonably acceptable to and enforceable by the Company, for compliance with this Agreement and the Restructuring Documents or this Agreement (each action referred to in the foregoing clauses (i) and (ii), a “Transfer”). Any Transfer that does not comply with the preceding sentence shall be deemed void *ab initio*.

This Agreement shall in no way be construed to preclude any Plan Sponsor or any of its affiliates (as defined in section 101(2) of the Bankruptcy Code) from acquiring additional Claims or Interests following its execution of this Agreement; provided however, that any such additional Claim or Interest acquired by a Plan Sponsor shall automatically be deemed to be subject to the terms of this Agreement.

1.04. Representation of Holdings

Each of the Plan Sponsors represents that, as of the date hereof, such Plan Sponsor (i) either (A) is the sole legal and beneficial owner of the Senior Secured PIK Notes Claims and other Claims and Interests, if applicable, set forth below such Plan Sponsor's name on Schedule 1 hereto, or (B) has investment or voting discretion with respect to such Claims and/or Interests in respect to matters relating to the Transactions contemplated by this Agreement and has the power and authority to bind the beneficial owner(s) of such Notes to the terms of this Agreement and (ii) has full power and authority to act on behalf of, vote and consent to matters concerning such Claims and/or Interests in respect to matters relating to the Transactions contemplated by this Agreement and the Restructuring Documents and to dispose of, exchange, assign and transfer such Claims and/or Interests. Furthermore, such Plan Sponsor has made no prior assignment, sale, grant, conveyance, or other transfer of, and has not entered into any other agreement to assign, sell, grant, convey or otherwise transfer, in whole or in part, any portion of its right, title, or interest in any Claims or Interests that are subject to this Agreement, the terms of which agreement are, as of the date hereof, inconsistent with the representations and warranties of such Plan Sponsor herein or would render such Plan Sponsor otherwise unable to comply with this Agreement and perform its obligations hereunder.

Section 2. The Company's Undertakings. The Company shall, subject to Section 3 hereof, and so long as no Debtor Termination Event has resulted in the termination of the Restructuring Documents in accordance with its terms, (i) take all actions reasonably necessary to effectuate and consummate the transactions contemplated by the Restructuring Documents and the Plan; (ii) implement all steps reasonably necessary and desirable to obtain an order of the Bankruptcy Court confirming the Plan; and (iii) take no actions inconsistent with the transactions contemplated by this Agreement, the Restructuring Documents and the Plan or the timely confirmation and consummation of the Plan. For the avoidance of doubt, subject to Section 3 below, by this Section 2, the TSC Entities undertake and agree not to negotiate, file or otherwise prosecute any restructuring agreement, in or out of court, that is inconsistent with the terms of the Restructuring Documents or in any way contradicts the Plan.

Section 3. The Company's Fiduciary Obligations. Notwithstanding anything to the contrary herein, nothing in this Agreement or in the Restructuring Documents shall require any TSN Debtor, any subsidiary or affiliate of any TSN Debtor, or any of their respective directors or officers (in such person's capacity as a director or officer) or agents or advisors to take any action, or to refrain from taking any action, to the extent that taking such action or refraining from taking such action would result in a breach of such person's fiduciary obligations under applicable law.

For the avoidance of doubt, the Company may terminate its obligations under this Agreement by written notice to the Plan Sponsors only if: (a) on or after the Petition Date but prior to entry of a

Bankruptcy Court Order authorizing the TSN Debtors' assumption of this Agreement pursuant to section 365(a) of the Bankruptcy Code (the "Assumption"), the Company determines in good faith (after consultation with their outside legal counsel and their independent financial advisors) that pursuit of a plan of reorganization or liquidation for the Company, or dissolution, winding up, or restructuring of the Company, other than the Plan (an "Alternative Restructuring Transaction") would be superior to consummation of the Plan, taking into account all legal, financial, regulatory, and other aspects of such alternative course of action including, without limitation, (i) all financial considerations, (ii) litigation risks, (iii) potential delays, (iv) the prospects for completion of such Alternative Restructuring Transaction, and (v) the identity of any other parties to such Alternative Restructuring Transaction; or (b) at any time after the Assumption, the TSN Debtors determine in good faith (after consultation with their outside legal counsel and their independent financial advisors) that pursuit of an Alternative Restructuring Transaction would be more favorable to their bankruptcy estates than consummation of the Plan.

Nothing herein shall prohibit the TSC Entities from continuing any discussions relating to an Alternative Restructuring Transaction involving the TSC Entities that is not inconsistent with or contrary to the Restructuring Documents or the Plan.

Section 4. Mutual Representations, Warranties, and Covenants. Each of the Parties represents, warrants, and covenants to the others the following, each of which is a continuing representation, warranty, and covenant:

4.01. Enforceability.

This Agreement is a legal, valid, and binding obligation of the Party, enforceable against it in accordance with its terms, except as enforcement may be limited by applicable laws relating to or limiting creditor's rights generally or by equitable principles relating to enforceability.

4.02. No Consent or Approval.

Except as expressly provided in this Agreement, no consent or approval by any other person or entity is required in order for it to carry out the provisions of this Agreement.

4.03 Power and Authority. It has all requisite power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement, the Restructuring Documents and the Plan.

4.04 Authorization. The execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary action on its part.

4.05 Governmental Consents. The execution, delivery and performance by it of this Agreement do not and shall not require any registration or filing with, consent or approval of, or notice to, or other action by, any federal, state or other governmental authority or regulatory body, except such filings as may be necessary and/or required under the federal securities laws and, in connection with the commencement of the Bankruptcy Cases, the

approval of the Disclosure Statement and confirmation of Plan.

Section 5. No Waiver of Participation and Reservation of Rights. This Agreement and the Plan are part of a proposed settlement of disputes among the Parties. Except as expressly provided in this Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair, or restrict the ability of each of the Plan Sponsors to protect and preserve its rights, remedies and interests, including without limitation, its Claims against the Company or its full participation in the Bankruptcy Cases. If the Transaction is not consummated, or if this Agreement is terminated for any reason, the Parties fully reserve any and all of their rights.

Section 6. Acknowledgment. This Agreement and the Restructuring Documents and the transactions contemplated herein and therein are the product of negotiations between the Parties and their respective representatives. This Agreement is not and shall not be deemed to be a solicitation of votes for the acceptance of the Plan. Each of the Plan Sponsors' acceptance of the Plan will not be solicited until it has received a copy of the Disclosure Statement approved by the Bankruptcy Court as complying in all respects with all relevant provisions of the Bankruptcy Code.

Section 7. Effectiveness; Amendments. This Agreement shall not become effective and binding upon any of the Parties until all Parties have delivered counterpart signatures hereto. This Agreement cannot be amended, except by a writing executed by all Parties.

Section 8. Miscellaneous.

8.01. Further Assurances.

The Parties agree to execute and deliver such other instruments and perform such acts, in addition to the matters herein specified, as may be reasonably appropriate or necessary, from time to time, to effectuate the agreements and understandings of the Parties, whether the same occurs before or after the date of this Agreement.

8.02. Complete Agreement.

This Agreement (together with the Restructuring Documents) constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, oral or written, between the Parties with respect thereto.

8.03. Parties.

This Agreement shall be binding upon, and inure to the benefit of, the Parties. No rights or obligations of any Party under this Agreement may be assigned or transferred to any other person or entity except as provided in Section 1.03 hereof. Nothing in this Agreement, express or implied, shall give to any person or entity, other than the Parties, any benefit or any legal or equitable right, remedy or claim under this Agreement.

8.04. Governing Law.

THIS AGREEMENT IS TO BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED IN SUCH STATE, WITHOUT GIVING EFFECT TO THE CHOICE OF LAWS PRINCIPLES THEREOF THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

8.05. Execution of Agreement; Headings.

This Agreement may be executed and delivered (by facsimile or otherwise) in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same agreement. Except as expressly provided in this Agreement, each individual executing this Agreement on behalf of a Party has been duly authorized and empowered to execute and deliver this Agreement on behalf of said Party. The headings of all sections of this Agreement are inserted solely for the convenience of reference and are not a part of and are not intended to govern, limit or aid in the construction or interpretation of any term or provision hereof.

8.06. Interpretation.

This Agreement is the product of negotiations of the Parties, and in the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any party by reason of that Party having drafted or caused to be drafted this Agreement, or any portion hereof, shall not be effective in regard to the interpretation hereof.

8.07 Confidentiality.

All information obtained in the course of the negotiations leading up to this Agreement, including but not limited to the identities of the Plan Sponsors and their respective individual holdings of Claims, shall be treated by all Parties hereto as confidential information and not disclosed without the written consent of the Company, or the applicable Plan Sponsor, as applicable, based upon a given Party's rights in the information at issue, except as may be required by law; provided, however that the Plan Sponsors may, in their sole discretion, confer with other holders of Claims in order to obtain further support for the Plan, so long as the Plan Sponsors do not furnish any confidential information of the Company to such other holders of Claims, except to the extent that such persons or entities are (or that the Company has advised the Plan Sponsors are) subject to confidentiality obligations owing to the Company pursuant to a confidentiality agreement in form and substance satisfactory to the Company. In no event shall the respective individual holdings of the Plan Sponsors be referenced in public filings or press releases without the express written consent of the Party at issue; provided however, that the TSN Debtors are authorized to file, under seal with the Bankruptcy Court, a list of the individual Claim and Interest holdings of the Plan Sponsors. Notwithstanding anything to the contrary herein, upon the prior written consent of the Plan Sponsors, the TSN Debtors shall be permitted to disclose (i) the terms of this Agreement and (ii) the fact that this Agreement has been executed, to the extent required by applicable law or regulation, or in connection with required filings in the Bankruptcy Cases or the Canadian Recognition Proceedings, or with the Securities and Exchange Commission, the Federal Communications Commission or Industry Canada.

8.08. Successors and Assigns.

This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors, assigns, heirs, executors, administrators and representatives, other than a trustee or similar representative appointed in the Bankruptcy Cases. The agreements, representations and obligations of the Plan Sponsors under this Agreement are, in all respects, several and not joint.

8.09. Fees and Expenses

If any Party brings any action against any other Party for breach of such other Party of its obligations hereunder, the prevailing Party shall be entitled to all reasonable expenses, including, without limitation, reasonable attorneys' fees incurred in connection with such action.

8.10. Specific Performance

The Parties acknowledge and agree that money damages would not be an adequate or sufficient remedy for any breach of this Agreement, and each non-breaching Party shall be entitled to specific performance and/or injunctive or other equitable relief as a remedy for any such breach.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Dated: October 18, 2010

TERRESTAR CORPORATION

By: 

Name:

Douglas Brandon

Its:

GC+Secretary

Dated: October __, 2010

TERRESTAR HOLDINGS INC.

By: 

Name: Douglas Brandon

Its: General Counsel & Secretary

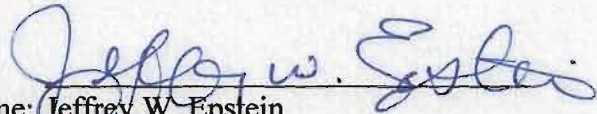
Dated: October __, 2010

MOTIENT HOLDINGS INC.
MOTIENT COMMUNICATIONS INC.
MOTIENT LICENSE INC.
MOTIENT SERVICES INC.
TERRESTAR NEW YORK INC.
MVH HOLDING INC.
MOTIENT VENTURES HOLDING INC.
TERRESTAR NATIONAL SERVICES, INC.
TERRESTAR LICENSE INC.

By:

Name: Jeffrey W. Epstein

Title: President



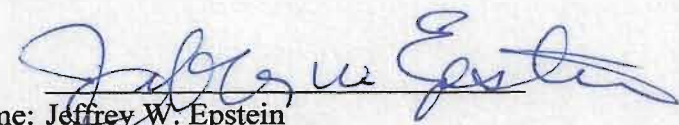
Dated: October __, 2010

0887729 B.C. LTD.,

By:

Name: Jeffrey W. Epstein

Its: Director

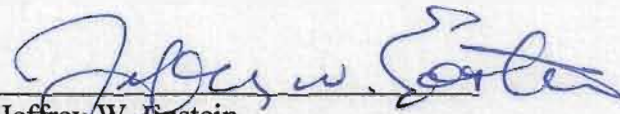


IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

Dated: October __, 2010

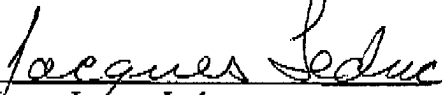
TERRESTAR NETWORKS INC.

By:


Name: Jeffrey W. Epstein

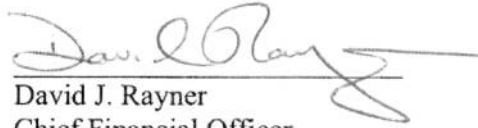
Its: President and Chief Executive Officer

TERRESTAR NETWORKS HOLDINGS
(CANADA) INC.
TERRESTAR NETWORKS (CANADA) INC.

By: 
Name: Jacques Leduc
Title: Chief Financial Officer

Dated: October __, 2010

ECHOSTAR CORPORATION


David J. Rayner
Chief Financial Officer

Telephone: _____

Facsimile: _____