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

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

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**ORDER AUTHORIZING THE DEBTORS TO ENTER INTO THE EIGHTH  
AMENDMENT TO THEIR DEBTOR-IN-POSSESSION LOAN AGREEMENT  
TO (A) INCREASE THE AMOUNT OF THE COMMITMENT THEREUNDER  
UNTIL THE FUNDING DATE OF THE PROPOSED SALE TRANSACTION  
AND (B) EXTEND THE MATURITY DATE**

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Upon the motion (the “*Motion*”) of TerreStar Networks Inc., and its affiliates in the above-captioned chapter 11 cases (collectively, the “*Debtors*”) for entry of an order pursuant to sections 363 and 364 of title 11 of the United States Code (the “*Bankruptcy Code*”) authorizing the Debtors to enter into the Eighth Amendment to the DIP Financing Agreement attached hereto as Exhibit A; and it appearing that the relief requested in the Motion is fair and equitable, and it appearing that the relief requested is in the best interests of the Debtors’ estates, their creditors

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number, are: TerreStar Networks Inc. (3931), 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).

and other parties in interest; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and any objections to the Motion having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion is granted to the extent set forth herein.
2. The Debtors are authorized to enter into the Eighth Amendment, to make, execute, and deliver all instruments and documents and to perform all acts in connection therewith that may be reasonably required or necessary for the Debtors' performance of their obligations under the Eighth Amendment.
3. Upon execution and delivery of the Eighth Amendment—which delivery shall occur upon the entry of the Sale Order—the Eighth Amendment shall constitute a valid and binding obligation of each of the parties thereto, enforceable against each party thereto in accordance with the terms thereof. No obligation or payment under the Eighth Amendment or this Order shall be stayed, restrained, voidable, avoidable or recoverable under the Bankruptcy Code or under any applicable law, or subject to any defense, reduction, setoff, recoupment or counterclaim.
4. The Eighth Amendment has been negotiated in good faith and at arms' length between the Debtors, the DIP Agent and the DIP Financing Lenders, and all of the Debtors'

obligations under the Eighth Amendment will be incurred in good faith as that term is used in section 364(e) of the Bankruptcy Code.

5. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this order in accordance with the Motion.

6. The Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the implementation of this Order.

New York, New York  
Dated: **July 7, 2011**

/s/ Sean H. Lane  
Honorable Sean H. Lane  
United States Bankruptcy Judge

**EXHIBIT A**

**THE EIGHTH AMENDMENT**

**EIGHTH AMENDMENT TO DEBTOR-IN-POSSESSION CREDIT, SECURITY &  
GUARANTY AGREEMENT**

This Eighth Amendment, dated as of June 17, 2011 (this "Amendment"), to the Debtor-in-Possession Credit, Security & Guaranty Agreement, dated as of October 21, 2010, by and among:

(i) TerreStar Networks Inc., a Delaware corporation (the "Borrower");

(ii) Motient Holdings Inc., a Delaware corporation, Motient Communications Inc., a Delaware corporation, Motient License Inc., a Delaware corporation, Motient Services Inc., a Delaware corporation, TerreStar New York Inc., a New York corporation, MVH Holdings Inc., a Delaware corporation, Motient Ventures Holding Inc., a Delaware corporation, TerreStar National Services, Inc., a Delaware corporation, and TerreStar License Inc., a Delaware corporation;

(iii) TerreStar Networks Holdings (Canada) Inc., an Ontario corporation, TerreStar Networks (Canada) Inc., an Ontario corporation, and 0887729 B.C. LTD., a British Columbia corporation;

(iv) the Lenders from time to time party thereto (the "Lenders"); and

(v) The Bank of New York Mellon, as administrative agent and collateral agent (in such capacities, the "Administrative Agent") (as amended by the First Amendment to Debtor-in-Possession Credit, Security & Guaranty Agreement, dated as of November 12, 2010, the Second Amendment to Debtor-in-Possession Credit, Security & Guaranty Agreement, dated as of December 14, 2010, the Third Amendment and Waiver to Debtor-in-Possession Credit, Security & Guaranty Agreement, dated as of January 5, 2011, the Fourth Amendment and Waiver to Debtor-in-Possession Credit, Security & Guaranty Agreement, dated as of February 3, 2011, the Fifth Amendment and Waiver to Debtor-in-Possession Credit, Security & Guaranty Agreement, dated as of February 15, 2011, the Waiver to Debtor-in-Possession Credit, Security & Security Agreement, dated as of April 1, 2011, the Sixth Amendment and Waiver to Debtor-in-Possession Credit, Security & Guaranty Agreement, dated as of May 3, 2011, and the Seventh Amendment and Waiver to Debtor-in-Possession Credit, Security & Guaranty Agreement, dated as of June 3, 2011, the "Credit Agreement");

is entered into by and among the Loan Parties and the Lenders.

WHEREAS, Loan Parties and the Lenders are parties to the Credit Agreement;

WHEREAS, the Lender party hereto constitutes the only Lender party to the Credit Agreement;

WHEREAS, the Loan Parties have requested that the Lenders consent to modification of the Credit Agreement as set forth herein;

WHEREAS, pursuant to Section 9.08(b) of the Credit Agreement, except as set forth therein, the Credit Agreement may be amended pursuant to an agreement in writing entered into by the Borrower and the Required Lender; and

WHEREAS, in connection with such request, the Loan Parties and the Lender have agreed to amend the Credit Agreement in certain respects, subject to the terms and conditions contained herein.

NOW, THEREFORE, the Lender and the Loan Parties hereby agree as follows:

1. Definitions. Any capitalized term used herein and not defined herein shall have the meaning assigned to it in the Credit Agreement.

2. Amendments to Credit Agreement. Effective as of the Amendment Effective Date (as defined below), the Credit Agreement is hereby amended as follows:

(a) The definition of Agreed Budget in Section 1.01 is amended in its entirety to read as follows:

“Agreed Budget” shall mean Exhibit A to the Third Agreed Budget Letter Agreement, dated June 17, 2011, by and between the Borrower and the Lender party thereto, subject to modification pursuant to Section 5.11(a).”

(b) The definition of Stated Maturity Date in Section 1.01 is amended in its entirety to read as follows:

“Stated Maturity Date” shall mean September 30, 2011.”

(c) The definition of Commitment in Section 1.01 is amended by adding the following after the last sentence thereof:

“The aggregate amount of the Commitments on the Eighth Amendment Effective Date is \$90,000,000.”

(d) Section 1.01 is amended by inserting the following definitions in proper alphabetical order:

“Eighth Amendment Effective Date” shall mean the “Amendment Effective Date” as defined in the Eighth Amendment to Debtor-in-Possession Credit, Security & Guaranty Agreement, dated as of June 17, 2011, among the Loan Parties and the Lender.”

“Purchaser” shall have the meaning assigned to such term in the Purchaser Agreement.”

“Purchase Agreement” shall mean the Purchase Agreement, dated as of June 14, 2011, by and among TerreStar Networks, Inc., TerreStar License Inc., TerreStar National Services Inc., TerreStar Networks Holdings (Canada) Inc.,

TerreStar Networks (Canada) Inc., 0887729 B.C. Ltd., and Gamma Acquisition L.L.C. and (solely with respect to Section 6.19 thereof) Dish Network Corporation.”

(e) Section 7.01(cc) is amended by deleting the word “or” from after the semicolon therein.

(f) Section 7.01(dd) is amended by replacing the period therein with “; or”.

(g) Section 7.01 is amended by adding the following after the last section thereof:

“(ee) the termination of the Purchase Agreement pursuant to Section 8.1 of the Purchase Agreement (other than pursuant to Section 8.1(d) of the Purchase Agreement).”

3. Consents and Other Agreements.

(a) The Required Lender hereby consents to modification of the DIP Order, in the form attached hereto as Exhibit A, and the Final Recognition Order, in a form acceptable to the Required Lender.

(b) For the avoidance of doubt, the parties hereto agree that no additional Upfront Fee will be payable with respect to the incremental Commitments effected by this Amendment.

4. Representations and Warranties. The Loan Parties hereby represent and warrant to the Lender, after giving effect to the amendments set forth herein, as follows:

(a) The representations and warranties contained herein, in the Credit Agreement and in each certificate or other writing delivered to the Lender or the Administrative Agent pursuant hereto on or prior to the date hereof are true and correct in all material respects on and as of the date hereof as though made on such date (except to the extent that such representations and warranties relate solely to an earlier date, in which case, such representations and warranties are true and correct in all material respects on and as of such earlier date).

(b) No Default or Event of Default has occurred and is continuing as of the date of this Amendment.

5. Conditions to Effectiveness. This Amendment shall become effective as of the first date (the “Amendment Effective Date”) on which both of the following conditions are satisfied: (a) Lender shall have received duly executed counterparts hereof that, when taken together, bear the authorized signatures of the Loan Parties; and (b) the United States Bankruptcy Court for the Southern District of New York shall have entered an order authorizing the Loan Parties to enter into this Amendment.

6. Miscellaneous.

(a) Continued Effectiveness of the Credit Agreement. This Amendment shall be effective only in this specific instance for the specific purposes set forth herein. Except as otherwise expressly provided herein, the Credit Agreement is, and shall continue to be, in full force and effect and is hereby ratified and confirmed in all respects and each Loan Party hereby reaffirms all obligations of such Loan Party under the Credit Agreement. Except as expressly provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as an amendment or waiver of any right, power or remedy of the Lenders under the Credit Agreement, nor constitute an amendment or waiver of any provision of the Credit Agreement or any other Loan Document, nor constitute a waiver of, or consent to, any Default or Event of Default now existing or hereafter arising under the Credit Agreement or any other Loan Document, and the Lenders expressly reserve all of their rights and remedies under the Credit Agreement and the other Loan Documents, under applicable law or otherwise.

(b) Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Amendment by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Amendment.

(c) Headings. Section headings herein are included for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

(d) Costs and Expenses. The Borrower agrees to pay on demand all fees, costs and expenses in connection with the preparation, execution and delivery of this Amendment

(e) Reference to Credit Agreement. On and after the Amendment Effective Date, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to the “Credit Agreement”, “thereunder”, “thereof” or words of like import referring to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment.

(f) Amendment as Loan Document. The Loan Parties acknowledge and agree that this Amendment constitutes a “Loan Document” under the Credit Agreement. Accordingly, it shall be an Event of Default under the Credit Agreement (i) if any representation or warranty made by the Loan Parties under or in connection with this Amendment shall have been untrue, false or misleading in any material respect when made or (ii) subject to the applicable grace periods set forth in the Credit Agreement, if any Loan Party fails to comply with any covenant or agreement set forth herein.

(g) Governing Law. **THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK**



**AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK AND, AS APPLICABLE, THE BANKRUPTCY CODE.**

**(h) Waiver of Jury Trial. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING AMENDMENT AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 6(h).**

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

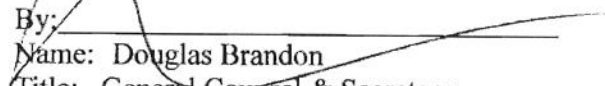
TERRESTAR NETWORKS INC.,  
debtor and debtor-in-possession, as the Borrower

By: 

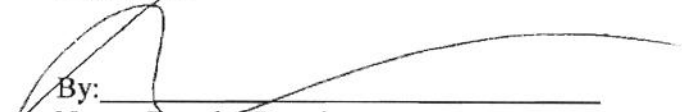
Name: Douglas Brandon

Title: General Counsel & Secretary

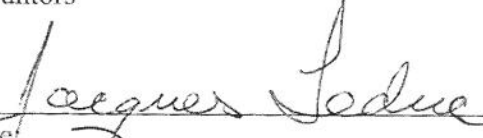
TERRESTAR NATIONAL SERVICES, INC.  
TERRESTAR LICENSE INC.,  
each a debtor and debtor-in-possession, as  
Guarantors.

By:   
Name: Douglas Brandon  
Title: General Counsel & Secretary


0887729 B.C. LTD.,  
each a debtor and debtor-in-possession, as Canadian  
Guarantors

By:   
Name: Douglas Brandon  
Title: Secretary

TERRESTAR NETWORKS HOLDINGS  
(CANADA) INC.  
TERRESTAR NETWORKS (CANADA) INC.  
each a debtor and debtor-in-possession, as Canadian  
Guarantors

By:   
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ECHOSTAR CORPORATION,  
as Lender

By:   
Name: DAVID RATNER  
Title: CFO