EQUITY PURCHASE AND COMMITMENT AGREEMENT

THIS EQUITY PURCHASE AND COMMITMENT AGREEMENT (this "Agreement"), dated as of December __, 2010, is made by and among the persons listed on Annex A and Annex C hereto (each a "Plan Sponsor" and collectively, the "Plan Sponsors"), and TerreStar Networks Inc., a Delaware corporation (as a debtor-in-possession and a reorganized debtor, as applicable, the "Company"). Capitalized terms used in the agreement have the meanings assigned thereto in the sections indicated on Schedule 1 hereto.

WHEREAS, the Company has determined that it would be in its best interests to engage in a restructuring or recapitalization (the "Transaction") concerning or impacting, *inter alia*, the balance sheet of the Company, Terrestar License Inc., Terrestar National Services Inc., 0887729 B.C. Ltd., Terrestar Networks Holdings (Canada) Inc. and Terrestar Networks (Canada) Inc. (collectively, the "TSN Debtors");

WHEREAS, the Company intends to propose and submit to the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") for its approval a plan for the TSN Debtors that is consistent with this Agreement and the DIP Agreement (the "Plan"); and

WHEREAS, the Company has filed motions (the "Initial Approval Motion") seeking orders of the Bankruptcy Court approving and authorizing the Company to (a) enter into this Agreement and (b) in accordance with and subject to the terms and conditions of this Agreement, pay the Backstop Commitment Fee and Transaction Expenses provided for herein (the "Initial Approval Order").

NOW, THEREFORE, in consideration of the mutual promises, agreements, representations, warranties and covenants contained herein, each of the parties hereto hereby agrees as follows:

1. Rights Offering.

   (a) The Company proposes to offer and sell shares of its new preferred stock, par value $0.01 per share with the rights and preferences set forth on Annex B hereto (the "New Preferred Stock"), pursuant to a rights offering (the "Rights Offering") whereby the Company will distribute at no charge to each holder (each holder, an "Eligible Holder") of an allowed claim (as defined in section 101(5) of the United States Bankruptcy Code, 11 U.S.C. §§ 101-1330, as amended and in effect on October 8, 2005 (the "Bankruptcy Code")) against the TSN Debtors (each, a "Claim") the following rights: (i) to each Eligible Holder of a Claim arising under the 15.0% senior secured payment-in-kind notes due 2014 issued pursuant to the Indenture, dated as of February 14, 2007, among the Company, as issuer, U.S. Bank National Association, as 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") (each such Claim, a "Senior Secured PIK Notes Claim") held of record as of the close of business on a record date to be established by the Company and approved by the Bankruptcy

Court and which shall be no later than the Disclosure Statement Approval Date (the "Record Date"), a right (each, a "Right") to purchase up to its pro rata portion (based on the dollar amount of the Senior Secured PIK Notes Claims held by such Eligible Holder as compared to all Eligible Holders of Senior Secured PIK Notes Claims) of [____][1]shares of the aggregate New Preferred Stock (each, a "Share") at a purchase price of $[___][2] per Share (the "Purchase Price per Share"), (ii) to each Eligible Holder of a Claim arising under the 6.5% senior exchangeable payment-in-kind notes due 2014 pursuant to the Indenture, dated as of February 7, 2008, among the Company, as issuer, U.S. Bank National Association, as indenture trustee, and Terrestar Corporation and the guarantors party thereto (as amended, restated, supplemented or otherwise modified from time to time, the "Exchangeable PIK Notes Indenture") other than an allowed Claim that is classified as a Convenience Claim (as defined in the Plan) (each such Claim, an "Exchangeable PIK Notes Claim") held of record as of the close of business on the Record Date, a Right to purchase up to its pro rata portion (based on the dollar amount of the Exchangeable PIK Notes Claims held by such Eligible Holder as compared to all Eligible Holders of Exchangeable PIK Notes Claims) of [____][3]Shares at a per share purchase price equal to the Purchase Price per Share and (iii) to each Eligible Holder of an allowed unsecured Claim other than an Exchangeable PIK Notes Claim or a Claim that is classified as a Convenience Claim, including, without limitation, an allowed trade Claim or an allowed Claim arising out of the rejection of executory contracts or unexpired leases by any TSN Debtor (each such Claim, an "Other Unsecured Claim"), held of record as of the close of business on the Record Date, a Right to purchase up to its pro rata portion (based on the dollar amount of the Other Unsecured Claims held by such Eligible Holder as compared to all Eligible Holders of Other Unsecured Claims) of [____][4]Shares at a per share purchase price equal to the Purchase Price per Share (the aggregate purchase price with respect to a particular portion of the Shares, the "Purchase Price").

(b) The Company will conduct the Rights Offering pursuant to the Plan, which shall reflect the Company's proposed restructuring transactions described in this Agreement and the Plan.

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[1] This number of Shares will equal 97% of the Shares issuable upon exercise of all of the Rights.

[2] The Purchase Price will reflect a 35% discount to the net distributable value under the Plan (which is approximately $1.050 billion).

[3] This number of Shares will equal [TBD]% of the Shares issuable upon exercise of all of the Rights.

[4] This number of Shares will equal [TBD]% of the Shares issuable upon exercise of all of the Rights.

(c) The Rights Offering will be conducted as follows:

(i) On the terms and subject to the conditions of this Agreement and subject to applicable law, the Company shall offer Shares for subscription by holders of Rights as set forth in this Agreement.

(ii) As soon as practicable following the entry of an order by the Bankruptcy Court approving the Disclosure Statement (the "Disclosure Statement Approval Date") and in no event later than ten (10) Business Days following the Disclosure Statement Approval Date, the Company shall issue to each Eligible Holder the Rights set forth in Section 1(a) above and simultaneously distribute a letter of transmittal and a subscription form, in form and substance reasonably satisfactory to the Plan Sponsors (the "Subscription Form") (the date of such distribution, the "Distribution Date"). The Company will be responsible for effecting the distribution of documentation in respect of the Rights, the Disclosure Statement, the Subscription Form and any related materials to each Eligible Holder.

(iii) The Rights granted pursuant to Section 1(a) may be exercised during the period (the "Rights Exercise Period") commencing on the Distribution Date and ending at the Expiration Time. Each Eligible Holder may transfer all or any portion of its Rights to a transferee (together with the Eligible Holders, the "Permitted Holders") in connection with the transfer of the related underlying Claim; provided that such transfer is made pursuant to a valid exemption from registration under the Securities Act. "Expiration Time" means the twentieth (20^{th}) Business Day following the Distribution Date or such later date and time as the Company and the Plan Sponsors may agree. The Company shall use its reasonable best efforts to cause the effective date of the Plan (the "Effective Date") to occur as promptly as reasonably practicable after the Expiration Time and the date the Plan is confirmed by the Bankruptcy Court but in no event later than [_____][5]. For purposes of this Agreement, "Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York City are generally authorized or obligated by law or executive order to close.

(iv) Each Permitted Holder (other than the Plan Sponsors) who wishes to exercise all or any portion of its Rights shall, during the Rights Exercise Period, (i) return a duly executed Subscription Form to a subscription agent selected by the Company and reasonably acceptable to the Plan Sponsors (the "Subscription Agent") electing to exercise all or any portion of the Rights held by such Permitted Holder and (ii) simultaneously with the return of the Subscription Form, except as provided in Section 2(c), pay an amount equal to the Purchase Price with respect to the number of

[5] Company to propose reasonable time.

Shares such Permitted Holder elects to purchase, by wire transfer of immediately available funds to an escrow account established for the Rights Offering. The parties agree that no exercise of Rights shall be valid except to the extent there is a simultaneous payment of the Purchase Price for the associated Shares.

(v) As soon as practicable after the Expiration Time, but in no event later than [_____][6] or such other date as is mutually agreed upon by the Company and the Plan Sponsors, the Company will provide to the Plan Sponsors, by electronic facsimile transmission or electronic mail, a certification by an executive officer of the Company of either (A) the number of Shares elected to be purchased by Permitted Holders pursuant to validly exercised Rights, the aggregate Purchase Price therefor, the number of Unsubscribed Shares and the aggregate Purchase Price therefor (a "Purchase Notice") or (B) in the absence of any Unsubscribed Shares, the fact that there are no Unsubscribed Shares and that the commitment set forth in Section 2(a)(ii) is terminated (a "Satisfaction Notice") (the date of transmission of confirmation of a Purchase Notice or a Satisfaction Notice, the "Determination Date").

(vi) As soon as reasonably practicable following the Effective Date, the Company will issue to each Permitted Holder that validly exercised its Rights the number of Shares to which such Permitted Holder is entitled based on such exercise.

(vii) All funds paid by Permitted Holders to the Company in connection with the exercise of their Rights shall be held for the benefit of the Permitted Holders in an escrow account established by the Company with an escrow agent reasonably acceptable to the Plan Sponsors. The funds held in such escrow account shall only be released to the Company upon the occurrence of the Effective Date.

(viii) In the event that any Subscription Form or transfer of funds contemplated thereby has been improperly completed or some irregularity exists with respect thereto, prior to the Company delivering a Purchase Notice or Satisfaction Notice as set forth in Section 1(c)(v) above, the Company shall be entitled to work in good faith with the applicable Permitted Holder(s) and to take other actions as may be necessary and make determinations in furtherance of facilitating the exercise of Rights by Permitted Holders hereunder.

[6] Company to propose reasonable time.

2. The Commitment; Fees and Expenses.

(a) On the terms and subject to the conditions set forth in this Agreement:

(i) Each Plan Sponsor agrees to subscribe for and purchase, and the Company agrees to sell and issue to such Plan Sponsor, on the Closing Date for the Purchase Price per Share, that number of Shares specified on Annex A[7] hereto (the "Direct Subscription Shares"); and

(ii) the Plan Sponsors, jointly and severally, agree to purchase, pursuant to the following paragraph and otherwise in accordance with this Agreement, on the Closing Date, and the Company agrees to sell, for the Purchase Price per Share, that number of Shares issuable pursuant to the Rights that were not properly exercised by the Permitted Holders thereof during the Rights Exercise Period (such Shares in the aggregate, the "Unsubscribed Shares"); provided, that notwithstanding the foregoing, the Plan Sponsors shall not be required to purchase Unsubscribed Shares that, together with the Plan Sponsors' Direct Subscription Shares, have an aggregate Purchase Price in excess of $93,750,000 (the "Backstop Amount") or such greater amount as mutually agreed in writing by the Company and the Plan Sponsors (such Unsubscribed Shares, the "Backstop Shares"). For purposes of this Agreement, the Backstop Shares shall be deemed to be Shares.

The Plan Sponsors' obligation to purchase Backstop Shares pursuant to this Section 2(a)(ii) shall terminate immediately at such time as Permitted Holders in the aggregate exercise Rights to purchase Shares for an aggregate Purchase Price equal to $93,750,000, irrespective of whether such Permitted Holders consummate the purchase of such Shares.

Notwithstanding anything in this Agreement, the Plan Sponsors shall not be obligated to purchase securities pursuant to this Agreement for aggregate consideration in excess of $93,750,000.

(b) As soon as practicable after the Expiration Time, and in any event within two (2) Business Days following the conclusion of the Rights Exercise Period, the Company will provide a Purchase Notice or a Satisfaction Notice to the Plan Sponsors as provided above, setting forth a true and accurate determination of the aggregate number of Unsubscribed Shares, if any, and Backstop Shares, if any.

(c) Delivery of the Shares purchased by the Plan Sponsors pursuant to this Agreement will be made by the Company to the accounts of the Plan Sponsors (or to such other accounts as the Plan Sponsors may designate in accordance with this Agreement) at 10:00 a.m., New York City time, on the Effective Date (the "Closing Date") against payment of the aggregate Purchase Price for such Shares

[7] To equal the amount of Shares each Plan Sponsor may purchase pursuant to its respective Right.

by wire transfer of immediately available funds in U.S. dollars to the account specified by the Company to the Plan Sponsors at least 24 hours prior to the Closing Date.

(d) To the extent Section 1146 of the Bankruptcy Code does not apply to the Shares, all Shares will be delivered with any and all issue, stamp, transfer, sales and use, or similar Taxes or duties payable in connection with such delivery duly paid by the Company.

(e) The documents to be delivered on the Closing Date by or on behalf of the parties hereto will be delivered at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022 on the Closing Date.

(f) On the basis of the representations and warranties herein contained, upon approval of this Agreement by the Bankruptcy Court, the Plan Sponsors shall be entitled to a commitment fee (the "Backstop Commitment Fee"), in the form of such number of additional shares of New Preferred Stock (other than those purchased in the Rights Offering or in the Initial Sponsor Share Purchase) as is equal to (i) two percent (2%) of $125,000,000 *divided by* (ii) the Purchase Price per Share; provided, however, that in the event that the Plan is not confirmed on or prior to the earlier of (i) February 14, 2011 or such other date as mutually agreed by the Company and the Plan Sponsors or (ii) the date the Company shall have entered into a definitive agreement with respect to any Alternate Transaction or obtained Bankruptcy Court approval of any Alternate Transaction, then, at the option of the Plan Sponsors, which option may be exercised at any time by notice from the Plan Sponsors to Company, the Company shall be obligated to pay the Backstop Commitment Fee to the Plan Sponsors in cash, in an amount equal to two percent (2%) of $125,000,000, by wire transfer of immediately funds to the accounts designated by the Plan Sponsors; provided further that the Company shall not be required to pay such cash amount to the Plan Sponsors until the earlier of (i) such time as a plan of reorganization with respect to the Company (other than the Plan) becomes effective or (ii) the consummation of any sale of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole. Subject to the proviso in the preceding sentence, the Backstop Commitment Fee shall be payable to the Plan Sponsors on the Effective Date. The provision for the Backstop Commitment Fee is an integral part of the transactions contemplated by this Agreement and without this provision the Plan Sponsors would not have entered into the Agreement. For the purpose of this Agreement, an "Alternate Transaction" means any plan, restructuring, reorganization, merger, consolidation, share exchange, business contribution, recapitalization or similar material transaction with respect to the Company or a sale of the Company or its Subsidiaries that is inconsistent with this Agreement or the Plan.

(g) The Company will reimburse or pay, as the case may be, the reasonable, actual and documented out-of-pocket costs and expenses incurred by the Plan Sponsors or their Affiliates, including, without limitation, reasonable fees, costs and

expenses of counsel to the Plan Sponsors or their Affiliates, and reasonable fees, costs and expenses of any other professionals retained by the Plan Sponsors or their Affiliates, incurred by such parties in connection with the Rights Offering and the other transactions contemplated hereby (including investigating, negotiating and completing such transactions) and other judicial and regulatory proceedings related to the Rights Offering and the other transactions contemplated hereby (collectively, "Transaction Expenses") on the Effective Date, including, without limitation, the fees of Kirkland & Ellis LLP and Peter J. Solomon Company. The term "Affiliate" shall have the meaning ascribed to such term in Rule 12b-2 under the Securities Exchange Act of 1934 (the "Exchange Act") in effect on the date hereof.

The provision for the payment of the Transaction Expenses is an integral part of the transactions contemplated by this Agreement and without this provision the Plan Sponsors would not have entered into this Agreement and such Transaction Expenses shall constitute an allowed administrative expense of the Company under Section 503(b)(1) and 507(a)(1) of the Bankruptcy Code. The payment of Transaction Expenses hereunder shall not limit the payment of fees and expenses as contemplated in the DIP Agreement or in any other agreement by and among the parties hereto.

3. Initial Sponsor Share Purchase. On the terms and subject to the conditions set forth in this Agreement and subject to applicable law, those Persons listed on Annex C hereto (the "Initial Sponsors") shall purchase from the Company and the Company shall sell to the Initial Sponsors, for an aggregate purchase price equal to $31,250,000, that number of Shares equal to $31,250,000 divided by the Purchase Price per Share (the "Initial Sponsor Share Purchase").

(a) Delivery of the Shares purchased by the Initial Sponsors pursuant to this Agreement will be made by the Company to the accounts of the Initial Sponsors (or to such other accounts as the Initial Sponsors may designate in accordance with this Agreement) at 10:00 a.m., New York City time, on the Closing Date against payment of $31,250,000 by wire transfer of immediately available funds in U.S. dollars to the account specified by the Company to the Initial Sponsors at least 24 hours prior to the Closing Date.

(b) To the extent Section 1146 of the Bankruptcy Code does not apply to the Shares, all Shares will be delivered with any and all issue, stamp, transfer, sales and use, or similar Taxes or duties payable in connection with such delivery duly paid by the Company.

(c) The documents to be delivered on the Closing Date by or on behalf of the parties hereto will be delivered at the offices of Kirkland & Ellis LLP, 601 Lexington Avenue, New York, NY 10022 on the Closing Date.

4. Representations and Warranties of the Company. Except as set forth in the disclosure letter delivered simultaneously herewith (the "Disclosure Letter"), the Company

represents and warrants to, and agrees with, the Plan Sponsors as set forth below. Any item disclosed in a section of the Disclosure Letter shall be deemed disclosed in all other sections of the Disclosure Letter to the extent the relevance of such disclosure or matter is reasonably apparent and shall qualify the representations and warranties contained in this Section 4. Except for representations, warranties and agreements that are expressly limited as to their date, each representation, warranty and agreement shall be deemed made as of the date hereof and as of the Closing Date:

(a) Organization and Qualification. The Company and each of its Subsidiaries has been duly organized and is validly existing in good standing under the laws of its respective jurisdiction of incorporation, with the requisite power and authority to own its properties and conduct its business as currently conducted. Each of the Company and its Subsidiaries has been duly qualified as a foreign corporation or organization for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except to the extent that the failure to be so qualified or be in good standing has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. For purposes of this Agreement, "Material Adverse Effect" means (i) any material adverse effect on the business, assets, operations, results of operations or financial condition of the Company or its Subsidiaries (or the reorganized Company and Subsidiaries), taken as a whole, or (ii) any material adverse effect on the ability of the Company, subject to the approvals and other authorizations set forth in Section 4(f) below, to consummate the transactions contemplated by this Agreement or the Plan provided that the following shall not constitute a Material Adverse Effect and shall not be taken into account in determining whether or not there has been or would reasonably be expected to be a Material Adverse Effect (A) changes in general economic conditions or securities or financial markets in general that do not disproportionately impact the Company and its Subsidiaries, (B) general changes in the industry in which the Company and its Subsidiaries operate and not specifically relating to, or having a disproportionate effect on, the Companies and its Subsidiaries taken as a whole (relative to the effect on other persons operating in such industry), (C) any changes in law applicable to the Company or any of its Subsidiaries or any of their respective properties or assets or interpretations thereof by any governmental authority which do not have a disproportionate effect on, the Company and its Subsidiaries, (D) any outbreak or escalation of hostilities or war (whether declared or not declared) or any act of terrorism which do not have a disproportionate effect on, the Company and its Subsidiaries, (E) any changes to the extent resulting from the announcement or the existence of, or compliance with, this Agreement and the transactions contemplated hereby (including without limitation any lawsuit related thereto or the impact on relationships with suppliers, customers, employees or others), (F) any accounting regulations or principles or changes in accounting practices or policies that the Company or its Subsidiaries are required to adopt, (G) any change in the market price or trading volumes of the Company's securities (it being understood for the purposes of this subclause (G) that any facts underlying such change that are not otherwise covered by the immediately preceding clauses

(A) through (F) may be taken into account in determining whether or not there has been a Material Adverse Effect),and (H) any changes resulting from actions of the Company or its Subsidiaries expressly agreed to or requested in writing by the Plan Sponsors. For purposes of this Agreement, a "Subsidiary" of any person means, with respect to such person, any corporation, partnership, joint venture or other legal entity of which such person (either alone or through or together with any other subsidiary), owns, directly or indirectly, more than 50% of the stock or other equity interests, has the power to elect a majority of the board of directors or similar governing body, or has the power to direct the business and policies. For purposes of this Agreement, the term "Subsidiary," when used with respect to the Company, shall include only, but shall include all of, the following entities: Terrestar National Services, Inc., 0887729 B.C. Ltd., Terrestar License Inc., Terrestar Networks Holdings (Canada) Inc. and Terrestar Networks (Canada) Inc.

(b) Corporate Power and Authority.

(i) The Company has or, to the extent executed in the future, will have when executed the requisite corporate power and authority to enter into, execute and deliver this Agreement and each other agreement to which it will be a party as contemplated by this Agreement (this Agreement and such other agreements collectively, the "Transaction Agreements") and, subject to entry of the Confirmation Order and the expiration, or waiver by the Bankruptcy Court, of the 14-day period set forth in Rules 6004(h) and 3020(e) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), respectively, to perform its obligations hereunder and thereunder, including the issuance of the Rights, the Shares and the shares of common stock, par value $0.01 per share, to be issued by the Company in connection with the Plan (the "New Common Stock"). Subject to receipt of Bankruptcy Court approval, as required, the Company has taken or will take all necessary corporate action required for the due authorization, execution, delivery and performance by it of this Agreement, including the issuance of the Rights, the Shares and the shares of New Common Stock.

(ii) Prior to the execution by the Company and filing with the Bankruptcy Court of the Plan, the Company and each Subsidiary entering into the Plan will have the requisite corporate power and authority to execute the Plan and to file the Plan with the Bankruptcy Court and, subject to entry of the Confirmation Order and the expiration, or waiver by the Bankruptcy Court, of the 14-day period set forth in Bankruptcy Rule 3020(e), to perform its obligations thereunder, and will have taken by the Effective Date all necessary corporate actions required for the due authorization, execution, delivery and performance by it of the Plan.

(c) Execution and Delivery; Enforceability. This Agreement has been duly and validly executed and delivered by the Company, and, upon the expiration, or waiver by the Bankruptcy Court, of the 14-day period set forth in Bankruptcy

Rule 6004(h), will constitute the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.

(d) Authorized and Issued Capital Stock. On the Effective Date, the authorized capital stock of the Company shall consist of such number of shares of New Common Stock as shall be set forth in the Amended and Restated Constituent Documents and [___] shares of New Preferred Stock. On the Effective Date, assuming consummation of the transactions contemplated by this Agreement: (i) the only shares of New Common Stock outstanding will be the shares of New Common Stock issued as contemplated by this Agreement and the Plan; and (ii) the only shares of New Preferred Stock outstanding will be the shares of New Preferred Stock issued as contemplated by this Agreement and the Plan.

(e) No Conflict. Subject to the entry of the Confirmation Order and the expiration, or waiver by the Bankruptcy Court, of the 14 day period set forth in Bankruptcy Rules 6004(h) and 3020(e), as applicable, the distribution of the Rights, the sale, issuance and delivery of the Shares upon exercise of the Rights, the consummation of the Rights Offering by the Company, the consummation of the Initial Sponsor Share Purchase and the execution and delivery (or, with respect to the Plan, the filing) by the Company of the Transaction Agreements and the Plan and compliance by the Company with all of the provisions hereof and thereof and the consummation of the transactions contemplated herein and therein (including compliance by the Plan Sponsors with their obligations hereunder and thereunder) will not (i) violate (A) any provision of law, statute, rule or regulation, (B) any applicable order of any court or any rule, regulation or order of any governmental authority or (C) any provision of any indenture, certificate of designation for preferred stock, agreement or other instrument to which the Company or any of its Subsidiaries is a party or by which any of them or any of their property is or may be bound that remains in effect after the Effective Date, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, give rise to a right of or result in any cancellation or acceleration of any right or obligation (including any payment) or a loss of a material benefit under any such indenture, certificate of designation for preferred stock, agreement or other instrument that remains in effect after the Effective Date, where any such conflict, violation, breach or default referred to in clause (i) or (ii) of this Section 4(e) would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, or (iii) result in the creation or imposition of any lien upon or with respect to any property or assets now owned or hereafter acquired by the Company or any of its Subsidiaries, other than the liens created by the DIP Agreement and liens permitted by the DIP Agreement (collectively, the "Permitted Liens").

(f) Consents and Approvals. No consent, approval, authorization, order, registration or qualification of or with any court or governmental agency or body having jurisdiction over the Company or any of its Subsidiaries or any of their properties is required for the distribution of the Rights or the sale, issuance and delivery of the Shares upon exercise of the Rights to the Plan Sponsors hereunder and the

consummation of the Rights Offering by the Company, the consummation of the Initial Sponsor Share Purchase and the execution and delivery by the Company of the Transaction Agreements or the Plan and performance of and compliance by the Company with all of the provisions hereof and thereof and the consummation of the transactions contemplated herein and therein, except (i) the entry of the Confirmation Order and the expiration, or waiver by the Bankruptcy Court, of the 14-day period set forth in Bankruptcy Rules 6004(h) and 3020(e), as applicable, (ii) filings with respect to and the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and any other comparable laws or regulations in any foreign jurisdiction relating to the sale or issuance of Shares or shares of New Common Stock to the Plan Sponsors, (iii) the prior approval of the Federal Communications Commission (the "FCC") for the transfer of control over the FCC licenses and authorizations held by the Company and its Subsidiaries and, to the extent required by communications laws and regulations based on the amount of direct or indirect foreign interests in the FCC licenses and authorizations held by the Company or its Subsidiaries upon consummation of the transactions contemplated by this Agreement and the Plan, approval by the FCC of a petition for declaratory ruling seeking FCC consent for such foreign ownership, (iv) the prior approval of the Minister of Industry of Canada for the transfer of control of Terrestar National Services Inc., Terrestar Networks Holdings (Canada) Inc. and Terrestar Networks (Canada) Inc. and the transfer or assignment of Industry Canada licenses and authorizations held by the TSN Debtors, (v) the filing with the Secretary of State of the State of Delaware of the Certificate of Incorporation to be applicable to the Company from and after the Effective Date, and (vi) such consents, approvals, authorizations, registrations or qualifications the absence of which will not have or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(g) Arm's Length. The Company acknowledges and agrees that the Plan Sponsors are acting solely in the capacity of an arm's length contractual counterparty to the Company with respect to the transactions contemplated hereby (including in connection with determining the terms of the Rights Offering and the Initial Sponsor Share Purchase) and not as a financial advisor or a fiduciary to, or an agent of, the Company or any other person or entity. Additionally, the Plan Sponsors are not advising the Company or any other person or entity as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Plan Sponsors shall have no responsibility or liability to the Company, its Affiliates, or their respective shareholders, directors, officers, employees, advisors or other representatives with respect thereto. Any review by the Plan Sponsors of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Plan Sponsors and shall not be on behalf of the Company, its Affiliates, or their respective shareholders, directors, officers, employees, advisors or other representatives and shall not affect any of

the representations or warranties contained herein or the remedies of the Plan Sponsors with respect thereto.

(h) Financial Statements.

(i) The audited consolidated balance sheet as of December 31, 2009 and related statements of income and cash flow of the Company, together with its consolidated Subsidiaries (including the notes thereto) for the four-quarter period ending December 31, 2009, reported on and accompanied by a report from Ernst & Young LLP ("E&Y") (the "Audited Financial Statements"), copies of which have heretofore been furnished to the Plan Sponsors, present fairly in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as at such date and the consolidated results of operations and cash flows of the Company and its consolidated Subsidiaries for the period then ended.

(ii) The unaudited consolidated balance sheet as of September 30, 2010 and related statements of income and cash flow of the Company, together with its consolidated Subsidiaries (including the notes thereto) for the fiscal quarter ending September 30, 2010 (the "Unaudited Financial Statements" and, together with the Audited Financial Statement, the "Historical Financial Statements"), copies of which have heretofore been furnished to the Plan Sponsors, present fairly in all material respects the consolidated financial position of the Company and its consolidated Subsidiaries as at such date and the consolidated results of operations and cash flows of the Company and its consolidated Subsidiaries for such fiscal quarter.

(iii) Except as (x) disclosed or reflected in the financial statements referred to in clauses (i) or (ii) of this Section 4(h) or (y) incurred in the ordinary course of business consistent with past practice since September 30, 2010 in an aggregate amount not in excess of $100,000, and except for obligations incurred in connection with the bankruptcy cases commenced by the TSN Debtors (the "Chapter 11 Cases") and that certain Debtor-In-Possession Credit, Security & Guaranty Agreement, dated as of [_____], by and among the TSN Debtors, the Company, the lenders party thereto and [_____] (the "DIP Agreement"), none of the Company or its Subsidiaries has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. The only Indebtedness of the Company and its Subsidiaries immediately following the Effective Date shall be the outstanding Indebtedness under that certain Terrestar-2 Purchase Money Credit Agreement, dated as of February 5, 2008, among the Company, as borrower, U.S. Bank National Association, as collateral 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 the EchoStar Corporation, as lenders thereunder. For purposes of

this Agreement, "Indebtedness" shall mean, with respect to any specified person or entity (each, a "Person") and without duplication, any liability or obligation (whether accrued, absolute, contingent or otherwise, but excluding any intercompany liabilities or capital lease obligations) relating to: (a) indebtedness, including interest and any prepayment penalties, expenses, or fees thereon created, issued or incurred by such Person for borrowed money (whether by loan or the issuance and sale of debt securities or the sale of property to another Person subject to an understanding or agreement, contingent or otherwise, to repurchase such property from such Person); (b) reimbursement obligations and obligations with respect to letters of credit, bankers' acceptances, bank guarantees, surety bonds and performance bonds, whether or not matured; (c) obligations of such Person to pay the deferred purchase or acquisition price of property or services, other than indemnification obligations, trade accounts payable arising, and accrued expenses incurred, in the ordinary course of its business and consistent with such Person's customary trade practices; (d) indebtedness secured by a lien on the property of such Person, whether or not the respective indebtedness so secured is a primary obligation of or has been assumed by such Person; and (e) indebtedness of others guaranteed by such Person.

(iv) The financial statements, related notes and supporting schedules, and all other financial information of the Company and its Subsidiaries included or incorporated by reference in the Disclosure Statement (A) have been prepared from, and are in accordance with, the books and records of the Company and its Subsidiaries, (B) to the extent filed with the Securities and Exchange Commission (the "Commission"), complied as to form, as of their respective date of such filing, in all material respects with applicable accounting requirements and with the published rules and regulations of the Commission with respect thereto, (C) have been prepared in accordance with U.S. generally accepting accounting principles ("GAAP") applied on a consistent basis throughout the periods involved and (D) present fairly or will present fairly in all material respects the financial position, results of operations and cash flows of the Company and its Subsidiaries as of the dates indicated and for the periods specified (subject to the absence of notes and normal and recurring year-end audit adjustments in the case of interim financials).

(i) Disclosure Statement. The Disclosure Statement, when approved by the Bankruptcy Court, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading. Notwithstanding the foregoing, the Company makes no representation and warranty with respect to any statements or omissions made in reliance on and in conformity with information relating to the Plan Sponsors furnished to the Company in writing by the Plan Sponsors expressly for use in the Disclosure Statement and any amendment or supplement thereto.

(j) Material Contracts. Except as may have occurred solely as a result of the commencement of the Chapter 11 Cases, each of the contracts that is material to the conduct and operations of the business of the Company and its Subsidiaries, taken as a whole (each a "Material Contract"), is in full force and effect and, to the knowledge of the Company, there are no material defaults thereunder on the part of any other party thereto which are not subject to an automatic stay or which would reasonably be expected to have a Material Adverse Effect, and none of the Company or any of its Subsidiaries is in default in any material respect in the performance, observance or fulfillment of any of its obligations, covenants or conditions contained in any Material Contract to which it is a party or by which it or its property is bound which are not subject to an automatic stay or which would reasonably be expected to have a Material Adverse Effect.

The TSN Debtors have not assumed or rejected any Material Contract without the consent of the Plan Sponsors.

(k) No Violation or Default; Compliance with Laws. As of the Closing Date neither the Company nor any of its Subsidiaries will be, except as a result of the Chapter 11 Cases, in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound or to which any of the property or assets of the Company or any of its Subsidiaries is subject which will remain effective after the Effective Date, except for any such default that has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Neither the Company nor any of its Subsidiaries is, or has been at any time since January 1, 2008, in violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except for any such violation that has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(l) Legal Proceedings. There are no legal, governmental or regulatory actions, suits, proceedings or, to the knowledge of the Company, investigations pending to which the Company or any of its Subsidiaries is or may be a party or to which any property of the Company or any of its Subsidiaries is or may be the subject that, individually or in the aggregate, has had or, if determined adversely to the Company or any of its Subsidiaries, would reasonably be expected to have a Material Adverse Effect, and no such actions, suits or proceedings or, to the knowledge of the Company, investigations are pending, threatened or contemplated, by any governmental or regulatory authority or by others.

(m) Independent Accountants. E&Y, the Company's public accountants, are independent public accountants with respect to the Company and its Subsidiaries as required by the Securities Act of 1933, as amended (the "Securities Act").

(n) Labor Relations. Except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect: (i) there are no strikes or other labor disputes pending or threatened against the Company or any of its Subsidiaries; (ii) the hours worked and payments made to employees of the Company and its Subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable law dealing with such matters; and (iii) all payments due from the Company or any of its Subsidiaries or for which any claim may be made against the Company or any of its Subsidiaries, on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of the Company or any of its Subsidiaries to the extent required by GAAP. Except (i) as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect or (ii) as set forth in the Disclosure Letter, the consummation of the transactions contemplated hereby will not give rise to a right of termination or right of renegotiation on the part of any union under any material collective bargaining agreement to which the Company or any of its Subsidiaries (or any predecessor of the Company or any of its Subsidiaries) is a party or by which the Company or any of its Subsidiaries (or any predecessor of any the Company or any of its Subsidiaries) is bound.

(o) Title to Intellectual Property. The Company and its Subsidiaries own or possess valid and enforceable rights to use all (i) trademarks and service marks, logos, trade dress, product configurations, trade names, corporate names and other indications of origin, together with all translations, adaptations, derivations, and combinations thereof, applications or registrations in any jurisdiction pertaining to the foregoing and all goodwill associated therewith, (ii) inventions (whether or not patentable), discoveries, improvements, ideas, know-how, formulae, methodologies, research and development, business methods, processes, technology, software (including any required passwords), interpretive code or source code, object or executable code, libraries, development documentation, compilers (other than commercially available compilers), programming tools, drawings, specifications and data, and applications, patents or grants in any jurisdiction pertaining to the foregoing, including re-issues, continuations, divisions, continuations-in-part, reexaminations, renewals and extensions, (iii) trade secrets, including confidential information and the right in any jurisdiction to limit the use or disclosure thereof, (iv) copyrights in writings, designs, software, mask works or other works, applications or registrations in any jurisdiction for the foregoing and all moral rights related thereto, (v) database rights, (vi) Internet websites, web pages, domain names and applications and registrations pertaining thereto and all intellectual property used in connection with or contained in websites, (vii) all rights under agreements relating to the foregoing, (viii) all books and records pertaining to the foregoing, and (ix) claims or causes of action arising out of or related to past, present or future infringement or misappropriation of the foregoing (collectively, "Intellectual Property") used in the conduct of their respective businesses, the failure to own or possess which has had or would reasonably be expected to have, individually or in the aggregate, Material Adverse Effect. All registrations with and applications to governmental or regulatory authorities in respect of such Intellectual Property are valid and in

full force and effect, have not, except in accordance with the ordinary course practices of the Company and its Subsidiaries, lapsed, expired or been abandoned (subject to the vulnerability of a registration for trademarks to cancellation for lack of use), are not the subject of any opposition filed with the United States Patent and Trademark Office or any other applicable Intellectual Property registry. The consummation of the transactions contemplated hereby and by the Plan will not result in the loss or impairment of any rights to use such Intellectual Property or obligate the Plan Sponsors to pay any royalties or other amounts to any third party in excess of the amounts that would have been payable by Company and its Subsidiaries absent the consummation of this transactions. The Company and its Subsidiaries have taken reasonable security measures to protect the confidentiality and value of its and their trade secrets (or other Intellectual Property for which the value is dependent upon its confidentiality), and no such information has been misappropriated or the subject of an unauthorized disclosure, except to the extent that such misappropriation or unauthorized disclosure has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. No present or former employee, officer or director of the Company and its Subsidiaries, or agent, outside contractor or consultant of the Company and its Subsidiaries, holds any right, title or interest, directly or indirectly, in whole or in part, in or to any Intellectual Property. Other than with respect to copyrightable works the Company and its Subsidiaries hereby represent to be "works made for hire" within the meaning of Section 101 of the Copyright Act of 1976 owned by the Company or its Subsidiaries, the Company and its Subsidiaries have obtained from all individuals who participated in any respect in the invention or authorship of any Intellectual Property created by or for the Company and its Subsidiaries (the "Owned Intellectual Property"), as consultants, as employees of consultants or otherwise, effective waivers of any and all ownership rights of such individuals in the Owned Intellectual Property and written assignments to the Company and its Subsidiaries of all rights with respect thereto. No officer or employee of the Company or its Subsidiaries is subject to any agreement with any third party that requires such officer or employee to assign any interest in inventions or other Intellectual Property or to keep confidential any trade secrets, proprietary data, customer lists or other business information or that restricts such officer or employee from engaging in competitive activities or solicitation of customers. Neither the Company nor its Subsidiaries has (i) incorporated open source materials into, or combined open source materials with, Intellectual Property or software, (ii) distributed open source materials in conjunction with Company Intellectual Property or software, or (iii) used open source materials that create, or purport to create, obligations for the Company and its Subsidiaries with respect to any Intellectual Property or grant, or purport to grant to any third party, rights or immunities under any Intellectual Property (including, but not limited to, using open source materials that require, as a condition of use, modification and/or distribution that other software incorporated into, derived from or distributed with such open source materials be (A) disclosed or distributed in source code form, (B) be licensed for the purpose of making derivative works, or (C) redistributable

at no charge). The Company and its Subsidiaries have not disclosed, and are under no obligation to disclose, any material software in source code form, except to parties that have executed written obligations to preserve the confidentiality of such source code. The Company and its Subsidiaries have not received any notice that it is, or they are, in default (or with the giving of notice or lapse of time or both, would be in default) under any contract relating to such Intellectual Property. No Intellectual Property rights of the Company or its Subsidiaries are being infringed by any other person, except to the extent that such infringement has not had and would not have, individually or in the aggregate, a Material Adverse Effect. The conduct of the businesses of the Company and its Subsidiaries will not conflict in any respect with any Intellectual Property rights of others, and the Company and its Subsidiaries have not received any notice of any claim of infringement or conflict with any such rights of others which has had or would in any such case be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(p) Title to Properties; Possession Under Leases; Location of Real Property and Leased Premises.

(i) The Company and each of its Subsidiaries has good and insurable fee simple title to, or valid leasehold interests in, or easements or other limited property interests in, all its real properties and has good and marketable title to its personal property and assets, in each case, except for defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties and assets for their intended purposes and except where the failure to have such title would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. All such properties and assets are free and clear of liens, other than except such as (A) are described in the consolidated balance sheets included in the Historical Financial Statements or, (B) Permitted Liens or (C) individually and in the aggregate, have not had and would not reasonably be expected to have a Material Adverse Effect.

(ii) The Company and each of its Subsidiaries has complied with all obligations under all leases to which it is a party, except where the failure to comply would not have a Material Adverse Effect, and all such leases are in full force and effect, except leases in respect of which the failure to be in full force and effect would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Except as set forth in the Disclosure Letter, the Company and each of its Subsidiaries enjoys peaceful and undisturbed possession under all such leases, other than leases in respect of which the failure to enjoy peaceful and undisturbed possession would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(iii) Schedule 4(p) lists completely and correctly, as of the date of this Agreement, all real property owned by the Company or any of its

Subsidiaries and the addresses thereof. As of the date of this Agreement, the Company and its Subsidiaries own in fee all of the real property set forth as being owned by them on such Schedule 4(p).

(iv) Schedule 4(p) lists completely and correctly, as of the date of this Agreement, all real property leased by the Company or any of its Subsidiaries and the addresses thereof. The Company and its Subsidiaries have valid leases in all of the material real property set forth as being leased by them on such Schedule 4(p).

(v) As of the date of this Agreement, neither the Company nor any of its Subsidiaries has received any notice of any pending or contemplated condemnation proceeding affecting any of its owned real property or any sale or disposition thereof in lieu of condemnation that remains unresolved.

(vi) The First Amended and Restated Wholesale Satellite Capacity Agreement dated as of October 6, 2010 between TerreStar Solutions Inc. and TerreStar Networks (Canada) Inc. does not convey to TerreStar Solutions Inc. any property interest in the Satellite (as defined therein), 100% of which is owned by TerreStar Networks (Canada) Inc.

(q) Investment Company Act. As of the date hereof, the Company is not and, after giving effect to the consummation of the Plan, including the offering and sale of the shares of New Common Stock and the Shares upon exercise of Rights, and the application of the proceeds thereof, will not be required to register as an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder.

(r) Licenses and Permits. The Company and its Subsidiaries possess all licenses, certificates, permits and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities that are necessary for the ownership or lease of their respective properties or the conduct of their respective businesses, including, without limitation, the FCC and the Minister of Industry of Canada authorizations set forth in Schedule 4(r), except any such licenses, certificates, permits or authorization the absence of which would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Except as, individually and in the aggregate, has not had and would not reasonably be expected to have a Material Adverse Effect, neither the Company nor any of its Subsidiaries has received notice of any revocation or modification of any such license, certificate, permit or authorization or has any reason to believe that any such license, certificate, permit or authorization will not be renewed in the ordinary course.

(s) Compliance with Environmental Laws. Except as disclosed in the Disclosure Letter and except as to matters that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (i) no written notice, request for information, claim, demand, order, complaint or penalty has been received by the Company or any of its Subsidiaries, and there are no judicial, administrative or other actions, suits or proceedings pending or, to the Company's knowledge, threatened, which allege a violation of or liability under any Environmental Laws (as defined in the DIP Agreement), in each case relating to the Company or any of its Subsidiaries, (ii) the Company and its Subsidiaries have all authorizations and permits necessary for their operations to comply with all applicable Environmental Laws and are, and during the term of all applicable statutes of limitation, have been, in compliance with the terms of such permits and with all other applicable Environmental Laws, and (iii) no pollutants, contaminants, wastes, chemicals, materials, substances and constituents of any nature which are subject to regulation or which would reasonably be likely to give rise to liability under any Environmental Law, including, without limitation, explosive or radioactive substances or petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls or radon gas (collectively, "Hazardous Material") is located at, in, or under any property currently or formerly owned, operated or leased by the Company or any of its Subsidiaries that would reasonably be expected to give rise to any liability or obligation of the Company or any of its Subsidiaries under any Environmental Laws, and no Hazardous Material has been generated, owned or controlled by the Company or any of its Subsidiaries and has been transported to or released at any location in a manner that would reasonably be expected to give rise to any liability or obligation of the Company or any of its Subsidiaries under any Environmental Laws.

(t) Tax Matters.

(i) The Company and its Subsidiaries have timely filed or caused to be filed all federal, state, local and non-U.S. Tax Returns required to have been filed that are material to such companies, taken as a whole, and each such Tax Return is true and correct in all material respects;

(ii) The Company and its Subsidiaries have timely paid or caused to be timely paid all Taxes shown to be due and payable by them on the returns referred to in clause (i) and all other Taxes or assessments (or made adequate provision (in accordance with GAAP) for the payment of all Taxes due) with respect to all periods or portions thereof ending on or before the Effective Date (except Taxes or assessments that are being contested in good faith by appropriate proceedings and for which the Company or its Subsidiaries (as the case may be) has set aside on its books adequate reserves in accordance with GAAP), which Taxes, if not paid or adequately provided for, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;

(iii) As of the Effective Date, with respect to the Company and its Subsidiaries, there are no claims being asserted in writing with respect to any Taxes;

(iv) All material Taxes which the Company and each or any of its Subsidiaries is (or was) required by law to withhold or collect in connection with amounts paid or owing to any employee, independent contractor, creditor, stockholder or other third party have been duly withheld or collected, and have been timely paid to the proper authorities to the extent due and payable.

(v) Neither the Company nor any of its Subsidiaries has been included in any "consolidated," "unitary" or "combined" Tax Return provided for under the law of the United States, any foreign jurisdiction or any state or locality with respect to Taxes for any taxable period for which the statute of limitations has not expired (other than a group of which the Company and/or its Subsidiaries are the only members).

(vi) There are no tax sharing, allocation, indemnification or similar agreements in effect as between the Company or any of its Subsidiaries or any predecessor or affiliate thereof and any other party (including any predecessors or affiliates thereof) under which the Company or any of its Subsidiaries would be liable for any material Taxes or other claims of any party.

(vii) The Company has not been a "United States real property holding corporation" within the meaning of Section 897(c)(2) of the Internal Revenue Code of 1986, as amended from time to time (the "Code"), at any time during the five-year period ending on the date hereof.

(viii) The Company is not a party to any agreement that would require the Company or any affiliate thereof to make any material payment that would constitute an "excess parachute payment" for purposes of Sections 280G and 4999 of the Code.

(ix) There are no tax liens on the assets of the Company or its Subsidiaries.

For purposes of this Agreement, "Taxes" shall mean all taxes, assessments, charges, duties, fees, levies or other governmental charges, including, without limitation, all federal, state, local, foreign and other income, franchise, profits, gross receipts, capital gains, capital stock, transfer, property, sales, use, value-added, occupation, property, excise, severance, windfall profits, stamp, license, payroll, social security, withholding and other taxes, assessments, charges, duties, fees, levies or other governmental charges of any kind whatsoever (whether disputed or not, whether payable directly or by withholding and whether or not requiring the filing of a Tax Return), all estimated taxes, deficiency assessments, additions to tax, penalties and interest and shall include any liability for such amounts as a result either of being a member of a combined, consolidated, unitary or affiliated group or of a contractual obligation to indemnify any

person or other entity. For purposes of this Agreement, "Tax Return" shall mean all returns, reports and claims for refunds (including elections, declarations, disclosures, schedules, estimates and information returns) required to be supplied to a Tax authority relating to Taxes and, in each case, any amendments thereto.

(u) Compliance With ERISA.

(i) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (A) the Company, its Subsidiaries and any trade or business (whether or not incorporated) that, together with the Company and its Subsidiaries, is treated as a single employer under Section 414(b) or (c) of the Code, or, solely for purposes of Section 302 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and Section 412 of the Code, is treated as a single employer under Section 414 of the Code (the "ERISA Affiliates"), are in compliance with the applicable provisions of ERISA and the provisions of the Code relating to ERISA Plans and the regulations and published interpretations thereunder; (B) other than as a result of the filing of the Chapter 11 Cases, no "Reportable Event" as defined in Section 4043(c) of ERISA or the regulations issued thereunder, other than those events as to which the 30-day notice period referred to in Section 4043(c) of ERISA has been waived, with respect to an ERISA Plan (other than an ERISA Plan maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Section 414 of the Code) has occurred during the past five (5) years as to which the Company or any of its Subsidiaries or any ERISA Affiliate was required to file a report with the Pension Benefit Guaranty Corporation, other than reports that have been filed; (C) other than as a result of the filing of the Chapter 11 Cases, no ERISA Event has occurred or is reasonably expected to occur; and (D) neither the Company nor any of its Subsidiaries or any ERISA Affiliate has received any written notification that any Multiemployer Plan is in reorganization or has been terminated within the meaning of Title IV of ERISA, or has knowledge that any Multiemployer Plan is reasonably expected to be in reorganization or to be terminated. For purposes of this Agreement, "ERISA Event" shall mean (a) any Reportable Event, (b) the existence with respect to any ERISA Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived, (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any ERISA Plan, the failure to make by its due date a required installment under Section 412(m) of the Code with respect to any ERISA Plan or the failure to make any required contribution to a Multiemployer Plan (as defined in Section 4001(a)(3) of ERISA), (d) the incurrence by the Company, any of its Subsidiaries or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any ERISA Plan, (e) the receipt by the Company, any of its Subsidiaries or any ERISA Affiliate from the Pension Benefit Guaranty

Corporation or a plan administrator of any notice relating to an intention to terminate any ERISA Plan or to appoint a trustee to administer any ERISA Plan under Section 4042 of ERISA, (f) the incurrence by the Company, any of its Subsidiaries or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any ERISA Plan or Multiemployer Plan, or (g) the receipt by the Company, any of its Subsidiaries or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Company, any of its Subsidiaries or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA. For purposes of this Agreement, "Withdrawal Liability" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such term is defined in Part I of Subtitle E of Title IV of ERISA.

(ii) The Company and its Subsidiaries are in compliance (A) with all applicable provisions of law and all applicable regulations and published interpretations thereunder with respect to any employee pension benefit plan or other employee benefit plan governed by the laws of a jurisdiction other than the United States and (B) with the terms of any such plan, except, in each case, for such noncompliance that would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect

(iii) Except as would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (A) each Canadian Pension Plan and any participation requirements of the Company or its Subsidiaries in each Canadian Union Plan are in compliance with the applicable plan terms and the requirements of any funding agreements and all applicable laws, (B) each Canadian Pension Plan that requires registration is duly registered under the Income Tax Act (Canada) and all other applicable laws, (C) all employer and employee payments, contributions or premiums to be remitted or paid to or in respect of each Canadian Pension Plan or Canadian Union Plan have been paid in a timely fashion in accordance with the terms thereof, any funding agreement and all applicable laws, (D) there have been no improper withdrawals or applications of the assets of the Canadian Pension Plans, (E) no Canadian Pension Event has occurred or is reasonably expected to occur, and (F) each of the Canadian Pension Plans and Canadian Union Plans is fully funded on a going concern and solvency basis (using actuarial methods and assumptions that are consistent with the valuations last filed with the applicable governmental authorities and that are consistent with generally accepted actuarial principles). For purposes of this Agreement "Canadian Pension Plan" shall mean a pension plan that is a "registered pension plan" as defined in the Income Tax Act (Canada) or is subject to the funding requirements of applicable pension benefits standards legislation in any Canadian

jurisdiction (in each case, whether or not registered) and is applicable to employees resident in Canada of the Company or any of its Subsidiaries, other than any Canadian Union Plans. For purposes of this Agreement "Canadian Union Plans" shall mean all pension and other benefit plans for the benefit of Canadian employees or former Canadian employees of the Company or any of its Subsidiaries which are not maintained, sponsored or administered by the Company or any of its Subsidiaries, but to which the Company or any of its Subsidiaries is or was required to contribute pursuant to a collective agreement or participation agreement. For purposes of this Agreement, "Canadian Pension Event" shall mean (a) the termination in whole or in part of any Canadian Pension Plan or Canadian Union Plan, (b) the merger of a Canadian Pension Plan with another pension plan, (c) a material change in the funded status of a Canadian Pension Plan, (d) the occurrence of an event under the Income Tax Act (Canada) that could reasonably be expected to affect the registered status of any Canadian Pension Plan or Canadian Union Plan, (e) the receipt by the Company or any of its Subsidiaries of any order or notice of intention to issue an order from the applicable pension standards regulator that could reasonably be expected to affect the registered status or cause the termination (in whole or in part) of any Canadian Pension Plan, (f) the receipt of notice by the administrator or the funding agent of any failure to remit contributions to a Canadian Pension Plan or a similar notice from a governmental authority relating to a failure to pay any fees or other amounts (including payments in respect of the pension benefits guarantee fund of Ontario), (g) the receipt by the Company or any of its Subsidiaries of any notice concerning liability arising from the withdrawal or partial withdrawal of the Company or any of its Subsidiaries or any other party from a Canadian Union Plan, (h) the adoption of any amendment to a Canadian Pension Plan that requires the provision of security pursuant to applicable law, (i) the failure to satisfy any statutory funding requirement in respect of any Canadian Pension Plan, or (j) any other extraordinary event or condition with respect to a Canadian Pension Plan or Canadian Union Plan that could reasonably be expected to result in a Lien or any acceleration of any statutory requirements to fund all or a substantial portion of the unfunded accrued benefit liabilities of such plan.

(v) Insurance. Schedule 4(v) sets forth a true, complete and correct description of all material insurance maintained by or on behalf of the Company and its Subsidiaries as of the date of this Agreement. As of such date, such insurance is in full force and effect. The Company believes that the insurance maintained by or on behalf of it and its Subsidiaries is adequate.

(w) Anti-Terrorism Laws.

(i) The Company and its Subsidiaries are not in violation of any requirement of law relating to terrorism or money laundering ("Anti-Terrorism Laws"), including, without limitation, Executive Order No. 13224 on Terrorist

Financing, effective September 24, 2001 (the "Executive Order"), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 and Canadian Anti-Money Laundering & Anti-Terrorism Legislation.

(ii) To the knowledge of the Company, neither the Company nor its Subsidiaries or broker or other agent of the Company or its Subsidiaries acting or benefiting in any capacity in connection with the Transaction is any of the following (A) a person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (B) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (C) a person with which the Plan Sponsors is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; (D) a person that commits, threatens or conspires to commit acts of, or supports, "terrorism" as defined in the Executive Order; or (E) a person that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control ("OFAC") at its official website or any replacement website or other replacement official publication of such list.

(iii) To the knowledge of the Company, neither the Company nor any of its Subsidiaries (A) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in clause (ii) above, (B) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order, or (C) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

(x) Internal Control Over Financial Reporting. The Company and its Subsidiaries (i) make and keep books and records that accurately and fairly represent the Company's transactions, and (ii) maintain and have maintained effective internal control over financial reporting as defined in Rule 13a-15 under the Exchange Act and a system of internal accounting controls sufficient to provide reasonable assurance that: (A) transactions are executed in accordance with management's general or specific authorizations; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company has disclosed to the Company's auditors and the audit committee of the Company's board of directors (i) any significant

deficiencies in the design or operation of its internal controls over financial reporting that are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information and has identified for the Company's auditors and the audit committee of the Company's board of directors any material weaknesses in internal control over financial reporting and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

(y) No Restrictions on Subsidiaries. Except as otherwise set forth in the record of the Chapter 11 Cases on or prior to the date hereof, and subject to the Bankruptcy Code, no Subsidiary of the Company is currently prohibited, directly or indirectly, under any agreement or other instrument to which it is a party or is subject, from paying any dividends to the Company, from making any other distribution on such Subsidiary's capital stock, from repaying to the Company any loans or advances to such Subsidiary from the Company or from transferring any of such Subsidiary's properties or assets to the Company or any other Subsidiary of the Company.

(z) No Broker's Fees. Neither the Company nor any of its Subsidiaries is a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against the Plan Sponsors for a brokerage commission, finder's fee or like payment in connection with the Rights Offering or the sale of the Shares or the shares of New Common Stock.

(aa) Forward-Looking Statements. No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) contained in the Historical Financial Statements has been made or reaffirmed, and in the case of the Disclosure Statement, will be made or reaffirmed, without a reasonable basis or has been disclosed other than in good faith.

(bb) Statistical and Market Data. Nothing has come to the attention of the Company that has caused the Company to believe that the statistical and market-related data to be included in the Disclosure Statement is not based on or derived from sources that are reliable and accurate in all material respects.

(cc) Takeover Statutes; Charter. No "fair price," "moratorium," "control share acquisition", "business combination" or other similar anti-takeover statute or regulation (a "Takeover Statute") is applicable to the Company, the New Common Stock, the Shares, the sale and issuance of the Shares and the shares of New Common Stock or the other transactions contemplated by this Agreement and the Plan.

(dd) The Company is in compliance with all relevant communications laws and regulations, including without limitation the Communications Act of 1934, as amended, the rules, decisions and policies of the FCC, the international Radio Regulations, rules, decisions and policies of the International Telecommunication

Union (the "ITU"), the communications laws of Canada and the rules, decisions and policies of Industry Canada (the "Communications Laws"), except for any such violation that has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. There is no claim, action, suit, investigation, litigation or proceeding regarding the Company's compliance with any provision of the Communications Laws, pending or to the Company's knowledge, threatened in the FCC, ITU, Industry Canada, any court or before any arbitrator or governmental instrumentality, except for any such claims, actions, suits, investigations, litigation or proceedings that if determined adversely to the Company would not have and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

5. Representations and Warranties of the Plan Sponsors. Each Plan Sponsor, severally and not jointly, represents and warrants and agrees with the Company as set forth below. Each such representation, warranty and agreement is made as of the date hereof and as of the Closing Date.

(a) Incorporation. Such Plan Sponsor has been duly organized and is validly existing as a corporation, limited partnership, limited liability company or other business organization, as the case may be, in good standing under the laws of the jurisdiction of its incorporation or organization.

(b) Corporate Power and Authority. Such Plan Sponsor has the requisite power and authority to enter into, execute and deliver this Agreement and to perform its obligations hereunder and has taken all necessary action required for the due authorization, execution, delivery and performance by it of this Agreement.

(c) Execution and Delivery. This Agreement has been duly and validly executed and delivered by such Plan Sponsor and constitutes its valid and binding obligation, enforceable against it in accordance with its terms.

(d) No Registration. Such Plan Sponsor understands that the Shares have not been registered under the Securities Act by reason of a specific exemption from the registration provisions of the Securities Act, the availability of which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of such Plan Sponsor's representations as expressed herein or otherwise made pursuant hereto and that the Shares will contain the following legend:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS, AND ACCORDINGLY THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM.

(e) Investment Intent. Such Plan Sponsor is acquiring the Shares for investment for its own account, not as a nominee or agent, and not with the view to, or for resale in connection with, any distribution thereof not in compliance with applicable securities laws, and the Plan Sponsors has no present intention of selling, granting any participation in, or otherwise distributing the same, except in compliance with applicable securities laws.

(f) Sophistication. Such Plan Sponsor has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its investment in the Shares being acquired hereunder. Such Plan Sponsor is an accredited investor within the meaning of Rule 501(a) under the Securities Act. Such Plan Sponsor understands and is able to bear any economic risks associated with such investment (including, without limitation, the necessity of holding the Shares for an indefinite period of time).

(g) No Conflict. The execution and delivery by such Plan Sponsor of each of the Transaction Agreements to which it is a party and the compliance by such Plan Sponsor with all of the provisions hereof and thereof and the consummation of the transactions contemplated herein and therein (i) will not conflict with, or result in a breach or violation of, any of the terms or provisions of, or constitute a default under (with or without notice or lapse of time, or both), or result, in the acceleration of, or the creation of any lien under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which such Plan Sponsor is a party or by which such Plan Sponsor is bound or to which any of the property or assets of such Plan Sponsor or any of its Subsidiaries is subject, (ii) will not result in any violation of the provisions of the certificate of incorporation or bylaws or similar governance documents of such Plan Sponsor, and (iii) will not result in any material violation of, or any termination or material impairment of any rights under, any statute or any license, authorization, injunction, judgment, order, decree, rule or regulation of any court or governmental agency or body having jurisdiction over such Plan Sponsor or any of its properties, except in any such case described in subclauses (i) or (iii) for any conflict, breach, violation, default, acceleration or lien which has not and would not reasonably be expected, individually or in the aggregate, to prohibit, materially delay or materially and adversely impact such Plan Sponsor's performance of its obligations under this Agreement.

(h) Consents and Approvals. No consent, approval, authorization, order, registration or qualification of or with any court or governmental agency or body having jurisdiction over such Plan Sponsor or any of its properties is required to be obtained or made by such Plan Sponsor for the purchase of the Shares hereunder and the execution and delivery by such Plan Sponsor of this Agreement or the Transaction Agreements to which it is a party and performance of and compliance by such Plan Sponsor with all of the provisions hereof and thereof and the consummation of the transactions contemplated herein and therein, except filings with respect to and the expiration or termination of the waiting period under the HSR Act or any comparable laws or regulations in any foreign jurisdiction

relating to the purchase of the Shares or shares of New Common Stock and except for any consent, approval, authorization, order, registration or qualification which, if not made or obtained, has not and would not reasonably be expected, individually or in the aggregate, to prohibit, materially delay or materially and adversely impact such Plan Sponsor's performance of its obligations under this Agreement.

(i) Arm's Length. Such Plan Sponsor acknowledges and agrees that the Company is acting solely in the capacity of an arm's length contractual counterparty to such Plan Sponsor with respect to the transactions contemplated hereby (including in connection with determining the terms of the Rights Offering and the Initial Sponsor Share Purchase). Additionally, such Plan Sponsor is not relying on the Company for any legal, tax, investment, accounting or regulatory advice, except as specifically set forth in this Agreement. Such Plan Sponsor shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby.

(j) No Violation or Default; Compliance with Laws. Such Plan Sponsor is not in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which such Plan Sponsor is a party or by which such Plan Sponsor is bound or to which any of the property or assets of such Plan Sponsor is subject, individually or in the aggregate, that would prohibit, materially delay or materially and adversely impact such Plan Sponsor's performance of its obligations under this Agreement. Such Plan Sponsor is not and has not been at any time since January 1, 2008, in violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except for any such violation that has not and would not reasonably be expected, individually or in the aggregate, to prohibit, materially delay or materially and adversely impact such Plan Sponsor's performance of its obligations under this Agreement.

(k) Legal Proceedings. There are no actions, suits or proceedings to which such Plan Sponsor is a party or to which any property of such Plan Sponsor is the subject that, individually or in the aggregate, has or, if determined adversely to such Plan Sponsor, would reasonably be expected to prohibit, materially delay or materially and adversely impact such Plan Sponsor's performance of its obligations under this Agreement and no such actions, suits or proceedings are threatened or, to the knowledge of such Plan Sponsor, contemplated and, to the knowledge of such Plan Sponsor, no investigations are threatened by any governmental or regulatory authority or threatened by others that has or would reasonably be expected, individually or in the aggregate, to prohibit, materially delay or materially and adversely impact such Plan Sponsor's performance of its obligations under this Agreement.

(l) No Broker's Fees. Such Plan Sponsor is not a party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against the Company for a brokerage commission, finder's fee or like payment in connection with the Rights Offering or the sale of the Shares.

(m) Sufficiency of Funds. On the Effective Date, such Plan Sponsor will have available funds sufficient to pay the aggregate purchase price for all Shares to be purchased by such Plan Sponsor hereunder.

6. Additional Covenants of the Company. The Company agrees with the Plan Sponsors as set forth below from the date of this Agreement through the earlier of the Effective Date or the termination of this Agreement.

(a) Initial Approval Order and Final Approval Order. The Company agrees that it shall use reasonable best efforts to cause the Initial Approval Order to become a Final Approval Order as soon as practicable following the filing of the Initial Approval Motion.

(b) Plan and Disclosure Statement. The Company shall authorize, execute, file with the Bankruptcy Court and seek confirmation of, the Plan (and a related disclosure statement (the "Disclosure Statement")) (i) the terms of which are consistent with this Agreement and with such other terms that are reasonably satisfactory to the Plan Sponsors, (ii) that provides for the release and exculpation of the Plan Sponsors, their respective Affiliates, partners, directors, officers, employees and advisors, in each case solely in their capacity as such, from liability in connection with the Chapter 11 Cases, including but not limited to this Agreement, the Plan, the Disclosure Statement, and related documents, agreements, and releases, to the fullest extent permitted under applicable law and (iii) that has conditions to confirmation and the Effective Date of the Plan (and to what extent any such conditions can be waived and by whom) that are consistent with this Agreement and with such other terms that are reasonably satisfactory to the Plan Sponsors. The Company will (i) provide to the Plan Sponsors and their counsel a copy of the Plan and the Disclosure Statement, and any amendments thereto, and a reasonable opportunity to review and comment on such documents prior to such documents being filed with the Bankruptcy Court, and (ii) such documents shall be filed with the Bankruptcy Court only in form and substance reasonably satisfactory to the Plan Sponsors. In addition, the Company will (i) provide to the Plan Sponsors and their counsel a copy of the Confirmation Order and a reasonable opportunity to review and comment on such order prior to such order being filed with the Bankruptcy Court and (ii) such documents shall be filed with the Bankruptcy Court only in form and substance reasonably satisfactory to the Plan Sponsors.

(c) Rights Offering. The Company shall use its reasonable best efforts to effectuate the Rights Offering as provided herein.

(d) Notification. The Company shall notify, or cause the Subscription Agent to notify the Plan Sponsors, on each Friday during the Rights Exercise Period and on each

Business Day during the five (5) Business Days prior to the Expiration Time (and any extensions thereto), or more frequently if reasonably requested by the Plan Sponsors, of the aggregate number of Rights known by the Company or the Subscription Agent to have been exercised pursuant to the Rights Offering as of the close of business on the preceding Business Day or the most recent practicable time before such request, as the case may be.

(e) HSR.[8] The Company shall use its reasonable best efforts to promptly prepare and file, if required, all necessary documentation and to effect all applications and seek all approvals or consents that are necessary or advisable under the HSR Act and any comparable laws or regulations in any foreign jurisdiction so that any applicable waiting period shall have expired or been terminated thereunder with respect to the purchase of Shares hereunder, and shall not take any action that is intended or reasonably likely to materially impede or delay the ability of the parties to obtain any necessary approvals required for the transactions contemplated by this Agreement. The Company shall file, to the extent that it is required to file, the Notification and Report Form required under the HSR Act with respect to the transactions contemplated by this Agreement with the Antitrust Division of the United States Department of Justice and the United States Federal Trade Commission no later than 30 calendar days following the date the Initial Approval Order is entered by the Bankruptcy Court (and if such date is not a Business Day on the next succeeding Business Day).

(f) Regulatory Filings.[9] The Company shall use its reasonable best efforts (i) to promptly prepare and file, if required, on or prior to [_____],[10] jointly with the Plan Sponsors and in form and substance reasonably satisfactory to the Plan Sponsors, (A) all necessary applications for approval of, and all required notifications to the FCC regarding, the transfers of control over all FCC licenses and authorizations held by the Company and its Subsidiaries, (B) all necessary submissions as may be required by the FCC to maintain the Company's FCC licenses and authorizations and (C) all necessary applications for approval of, and all required notifications to the Minister of Industry of Canada regarding the transfer of control of Terrestar National Services Inc., Terrestar Networks Holdings (Canada) Inc. and Terrestar Networks (Canada) Inc. and the transfer or assignment of Industry Canada licenses and authorizations held by the TSN Debtors and (ii) to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary to obtain all such approvals, if required.

(g) Use of Proceeds. The Company will apply the net proceeds from the sale of the Shares to fund payment obligations of the Company under the Plan, including, without limitation, payment and satisfaction of all indebtedness and other

[8] Plan Sponsors are reviewing necessity of HSR filings.

[9] Plan Sponsors are reviewing necessity of such filings.

[10] Company to propose reasonable time.

obligations under the DIP Agreement, Convenience Claims and administrative and other claims contemplated by the Plan to be satisfied in cash, and/or to provide working capital for the reorganized TSN Debtors.

(h) Conduct of Business. During the period from the date of this Agreement to the earlier of the date on which this Agreement is terminated and the Closing Date (except as otherwise required by law or expressly provided by the terms of this Agreement (including the Disclosure Letter), the Plan or any other order of the Bankruptcy Court entered on or prior to the date hereof in the Chapter 11 Cases), the Company and its Subsidiaries shall carry on their businesses in the ordinary course. Without limiting the generality of the foregoing, and except as otherwise expressly provided or permitted by this Agreement (including the Disclosure Letter), the Plan or any other order of the Bankruptcy Court entered as of the date hereof in these Chapter 11 Cases, prior to the Closing Date, the Company shall not, and shall cause its Subsidiaries not to, take any of the following actions without the prior written consent of the Plan Sponsors:

(i) (A) declare, set aside or pay any dividends on, or make any other distributions in respect of, any of its capital stock, (B) split, combine or reclassify any of its capital stock or issue or authorize the issuance of any other securities in respect of, in lieu of or in substitution for shares of its capital stock or (C) purchase, redeem or otherwise acquire, except in connection with the Plan, any shares of capital stock of the Company or any other securities thereof or any rights, warrants or options to acquire any such shares or other securities except in each case as permitted by the DIP Agreement;

(ii) issue, deliver, grant, sell, pledge, dispose of or otherwise encumber any of its capital stock or any securities convertible into, or any rights, warrants or options to acquire, any such capital stock at less than fair market value;

(iii) acquire or agree to acquire by merging or consolidating with, or by purchasing a substantial portion of the stock, or other ownership interests in, or substantial portion of assets of, or by any other manner, any business or any corporation, partnership, association, joint venture, limited liability company or other entity or division thereof except in the ordinary course of business except as permitted by the DIP Agreement;

(iv) sell, lease, mortgage, pledge, grant a lien, mortgage, pledge, security interest, charge, claim or other encumbrance of any kind or nature on or otherwise encumber or dispose of any of its properties or assets, except in the ordinary course of business or as permitted by the DIP Agreement;

(v) directly or indirectly incur, create, assume, become liable for or permit to exist any indebtedness for borrowed money or guarantee any such indebtedness of another individual or entity, except as permitted by the DIP Agreement;

(vi) sell, lease, transfer or otherwise dispose (including through right of use agreements) of satellites, spare satellites, ground stations, FCC licenses, Industry Canada licenses or other licenses, capacity, or spectrum other than as contemplated by the DIP Agreement;

(vii) pay, discharge, waive, compromise, settle or otherwise satisfy any material legal proceeding, whether now pending or hereafter brought;

(viii) (A) increase the salaries or other employee compensation to employees, officers or directors of the Company or any of its Subsidiaries with annual base compensation in excess of $100,000 or (B) except in the ordinary course of business and consistent with past practice, establish, adopt, enter into or materially amend any collective bargaining, bonus, profit sharing, thrift, compensation, employment, termination, severance or other plan, agreement, trust, fund, policy or arrangement for the benefit of any director, or for the benefit of a group of employees or for any individual officer or employee with annual base compensation in excess of $100,000, in each case; or

(ix) authorize any of, or commit or agree to take any of, the foregoing actions.

(i) Reasonable Best Efforts. During the period from the date of this Agreement to the Closing Date, the Company shall use its reasonable best efforts to take all actions, and do all things, reasonably necessary, proper or advisable on its part under this Agreement and applicable laws to cooperate with the Plan Sponsors and to consummate and make effective the transactions contemplated by this Agreement and the Plan.

(j) Further Assurances. The Company and its Subsidiaries shall execute and deliver, and causes their Affiliates to execute and deliver, or cause to be executed and delivered, such further instruments or documents or take such other action as may be reasonably necessary (or as reasonably requested by the Plan Sponsors) to carry out the transactions contemplated by this Agreement.

(k) Access to Information. Subject to applicable law and existing confidentiality agreements between the parties, upon reasonable notice, the Company shall (and shall cause its Subsidiaries to) afford the Plan Sponsors and their investment bankers, attorneys, accountants and other advisors or representatives, reasonable access during normal business hours and in a manner as would not be unreasonably disruptive to the business or operations of the Company or its Subsidiaries, throughout the period prior to the Closing Date, to its and its Subsidiaries' employees, properties, books, contracts and records and, during such period, the Company shall (and shall cause its Subsidiaries to) furnish promptly to the Plan Sponsors all information relating to its (or their) business, properties and personnel as may reasonably be requested by the Plan Sponsors; provided, that the foregoing shall not require the Company (i) to permit any inspection, or to disclose any information, that would cause the Company to

violate any of its obligations with respect to confidentiality to a third party, (ii) to disclose any privileged information of the Company or any of its Subsidiaries or (iii) to violate any laws. All requests for information and access made pursuant to this Section 6(k) shall be directed to Steven Zelin at The Blackstone Group or such other person as may be designated by such person.

(l) Financial Information. Within five (5) Business Days after the end of each fiscal month, beginning on the date hereof until the Closing Date, the Company shall provide to the Plan Sponsors an unaudited consolidated balance sheet and related unaudited consolidated statements of operations, consolidated statements of stockholders' equity and consolidated statements of cash flows for the month then ended (the "Monthly Financial Statements"), all of which shall be in reasonable detail and which consolidated balance sheet and related statements of operations and cash flows shall be certified by a financial officer of the Company on behalf of the Company as fairly presenting, in all material respects, the financial position and results of operations of the Company in accordance with GAAP.

(m) Takeover Statutes and Charter. The Company agrees that if any Takeover Statute is or may become applicable to the transactions contemplated by this Agreement or the Plan, it will grant such approvals and take such actions as are necessary so that such transactions may be consummated as promptly as practicable on the terms contemplated by this Agreement and the Plan and otherwise act to eliminate or minimize the effects of such statute or regulation on such transactions.

(n) Agreement on Key Documentation. The terms of the Amended and Restated Constituent Documents, the Registration Rights Agreement and the Shareholders Agreement shall substantially reflect the terms set forth on Annex B hereto.

(o) Transactions with Affiliates. The Company and its Subsidiaries shall not engage in any transaction with any Affiliate thereof without the prior written consent of the Plan Sponsors, unless expressly permitted by the DIP Agreement.

(p) Material Contracts. Prior to the Closing Date, the Company and its Subsidiaries shall not enter into, amend, modify, terminate, assume or reject any Material Contract without the prior written consent of the Plan Sponsors.

(q) The Company's Fiduciary Obligations.

(i) Notwithstanding anything to the contrary herein, nothing in this Agreement or the Plan shall require the Company, any Subsidiary or Affiliate of the Company, 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 be reasonably likely to result in a breach of such person's fiduciary obligations under applicable law.

(ii) Notwithstanding the foregoing, at all times prior to, on, or after the date hereof, the Company shall be obligated to provide the advisors of the Plan Sponsors with prompt notice of any written proposal or material written modification thereof received from a third party with respect to any Alternate Transaction, including the name of the party and the material terms of the proposal.

(r) Registration. Following the date hereof, (i) the Company shall not take any actions that would cause it to be subject to the registration requirements of any securities laws without the consent of the Plan Sponsors, including, without limitation, filing a registration statement relating to the Shares, effecting a public offering of the Shares or listing the Shares on any national securities exchange, and (ii) the Company shall keep in effect all restrictions relating to the Shares as in effect on the date hereof and shall not grant consent for any transfers that would cause the number of holders of any class of the Company's or of any of its Subsidiaries' securities to exceed 300.

7. Additional Covenants of the Plan Sponsors. Each Plan Sponsor, severally and not jointly, agrees with the Company:

(a) Support of the Plan.

(i) it and its Affiliates will not (A) object, directly or indirectly, to the confirmation of the Plan, subject to its receipt of a Disclosure Statement and other solicitation materials in respect of the Plan that is approved by the Bankruptcy Court, as containing "adequate information" under section 1125 of the Bankruptcy Code (as may be amended, modified or changed in accordance with this Agreement), (B) object, directly or indirectly, to the approval of the Disclosure Statement (as may be amended, modified or changed in accordance with this Agreement), (C) vote for or support any plan of reorganization other than, subject to its receipt of a Disclosure Statement and other solicitation materials in respect of the Plan that is approved by the Bankruptcy Court, the Plan (as such Plan may be amended, modified or changed in accordance with this Agreement), (D) directly or indirectly seek, solicit, or support any sale, proposal or offer of dissolution, winding up, liquidation, reorganization, merger, or restructuring of the Company or any of its Subsidiaries other than as provided in the Plan (as such Plan may be amended, modified or changed in accordance with this Agreement), or (E) subject to its receipt of a Disclosure Statement and other solicitation materials in respect of the Plan that is approved by the Bankruptcy Court, object to the solicitation of consents to the Plan (each as may be amended, modified or changed in accordance with this Agreement);

(ii) it will, and it will cause its Affiliates to, (A) subject to its receipt of a Disclosure Statement and other solicitation materials in respect of the Plan that is approved by the Bankruptcy Court, vote its Claims to accept the

Plan (as such Plan may be amended, modified or changed in accordance with this Agreement), and (B) reasonably cooperate with the TSN Debtors in respect of the pursuit and support of the transactions contemplated by this Agreement and the Plan;

(iii) for so long as this Agreement remains in effect, it and its Affiliates will not sell, transfer, assign, pledge or otherwise dispose of, directly or indirectly, any of its debt or Claims, or any option thereon or any right or interest (voting or otherwise) therein; and

(iv) to the extent it or its Affiliates acquire additional Claims, such Plan Sponsor and its Affiliates agree that such Claims are and shall be subject to this Section 7(a).

(b) Information. To provide the Company with such information as the Company reasonably requests regarding the Plan Sponsors for inclusion in the Disclosure Statement.

(c) HSR Act. To use reasonable best efforts to promptly prepare and file, if required, all necessary documentation and to effect all applications and to obtain all authorizations, approvals and consents that are necessary or advisable under the HSR Act and any comparable laws or regulations in any foreign jurisdiction so that any applicable waiting period shall have expired or been terminated thereunder and any applicable notification, authorization, approval or consent shall have been made or obtained with respect to the purchase of Shares hereunder, and not to take any action that is intended or reasonably likely to materially impede or delay the ability of the parties to obtain any necessary approvals required for the transactions contemplated by this Agreement. The Plan Sponsors shall file, to the extent that they are required to file, the Notification and Report Form required under the HSR Act with respect to the transactions contemplated by this Agreement with the Antitrust Division of the United States Department of Justice and the United States Federal Trade Commission no later than 30 calendar days following the date the Initial Approval Order is entered by the Bankruptcy Court (and if such date is not a Business Day on the next succeeding Business Day).

(d) Bankruptcy Court Filings. To not file any pleading or take any other action in the Bankruptcy Court with respect to this Agreement, the Plan, the Disclosure Statement or the Confirmation Order or the consummation of the transactions contemplated hereby or thereby that is inconsistent in any material respect with this Agreement or the Company's efforts to obtain the entry of the Confirmation Order consistent with this Agreement.

(e) Reasonable Best Efforts. To use its reasonable best efforts to take all actions, and do all things, reasonably necessary, proper or advisable on its part under this Agreement and applicable laws to cooperate with the Company and to

consummate and make effective the transactions contemplated by this Agreement and the Plan.

(f) Further Assurances. To execute and deliver, and causes its Affiliates to execute and deliver, or cause to be executed and delivered, such further instruments or documents or take such other action as may be reasonably necessary (or as reasonably requested by the Company) to carry out the transactions contemplated by this Agreement.

8. Additional Joint Covenant of the Company and the Plan Sponsors. Without limiting the generality of the undertakings pursuant to Sections 6(e) and 7(c), each of the Company and the Plan Sponsors shall use their reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary under the HSR Act and any comparable laws or regulations in any foreign jurisdiction to consummate and make effective the transactions contemplated by this Agreement and the other Transaction Agreements, including furnishing all information required by applicable law in connection with approvals of or filings with any governmental authority, and filing, or causing to be filed, as promptly as practicable, any required notification and report forms under other applicable competition laws with the applicable governmental antitrust authority. The parties shall consult with each other as to the appropriate time of filing such notifications and shall agree upon the timing of such filings. Subject to appropriate confidentiality safeguards, each party shall (i) respond promptly to any request for additional information made by the antitrust agency, (ii) promptly notify counsel to the other party of, any communications from or with the antitrust agency in connection with any of the transactions contemplated by this Agreement, (iii) not participate in any meeting with the antitrust agency unless it consults with counsel to the other party in advance and, to the extent permitted by the agency, give the other party a reasonable opportunity to attend and participate thereat, and (iv) furnish counsel to the other party with such necessary information and reasonable assistance as may be reasonably necessary in connection with the preparation of necessary filings or submission of information to the antitrust agency. The Parties shall use their reasonable best efforts to cause the waiting periods under the applicable competitions laws to terminate or expire at the earliest possible date after the date of filing.

Notwithstanding anything in this Agreement to the contrary, nothing shall require the Plan Sponsors or their respective Affiliates to dispose of any of their or their Subsidiaries' or their Affiliates' assets or to limit their freedom of action with respect to any of their or their Subsidiaries' or Affiliates' businesses, or to consent to any disposition of the Company's or the Company's Subsidiaries' assets or limits on the Company's or the Company's Subsidiaries' freedom of action with respect to any of its or its Subsidiaries' businesses, or to commit or agree to any of the foregoing, and nothing in this Agreement shall authorize the Company or any Company Subsidiary to commit or agree to any of the foregoing, to obtain any consents, approvals, permits or authorizations to remove any impediments to the transactions contemplated hereby or by any Transaction Agreement relating to antitrust or competition laws or to avoid the entry of, or to effect the dissolution of, any injunction, temporary restraining order or other order in any action relating to antitrust or competition laws.

9. Reasonable Best Efforts.

The Company shall use its reasonable best efforts (and shall cause its Subsidiaries to use their respective reasonable best efforts) to take or cause to be taken all actions, and do or cause to be done all things, reasonably necessary, proper or advisable on its or their part under this Agreement and applicable laws to reasonably cooperate with the Plan Sponsors and to consummate and make effective the transactions contemplated by this Agreement and the Plan, including using its reasonable best efforts in:

(a) preparing and filing as promptly as practicable all documentation to effect all necessary notices, reports and other filings and to obtain as promptly as practicable all consents, registrations, approvals, permits and authorizations necessary or advisable to be obtained from any third party or governmental entity;

(b) defending any lawsuits or other actions or proceedings, whether judicial or administrative, challenging this Agreement or the Plan or any other agreement contemplated by this Agreement or the Plan or the consummation of the transactions contemplated hereby and thereby, including seeking to have any stay or temporary restraining order entered by any court or other governmental entity vacated or reversed;

(c) executing, delivering and filing, as applicable, any additional ancillary instruments or agreements necessary to consummate the transactions contemplated by this Agreement or the Plan and to fully carry out the purposes of this Agreement, the Plan and the transactions contemplated hereby and thereby, including, without limitation: (i) employment agreements and other compensation arrangements with senior management of the Company relating to compensation, benefits and severance (in form and substance reasonably satisfactory to the Plan Sponsors); (ii) agreements and other arrangements reasonably acceptable to the Plan Sponsors with respect to claims against the Company of former members of the Company's management and members of the Company's management, if any, who are resigning or being terminated in accordance with the implementation of the Plan; (iii) a registration rights agreement (the "Registration Rights Agreement") between the Company, the Plan Sponsors and certain other stockholders of the Company, in form and substance reasonably satisfactory to the Plan Sponsors; (iv) a shareholders agreement (the "Shareholders Agreement") between the Company, the Plan Sponsors and certain other stockholders of the Company, in form and substance reasonably satisfactory to the Plan Sponsors; (v) an amended and restated certificate of incorporation and amended by-laws of the Company, in each case that is consistent with this Agreement and in form and substance reasonably satisfactory to the Plan Sponsors (such amended and restated certificate of incorporation and amended bylaws are herein referred to as the "Amended and Restated Constituent Documents"); and (vi) a Certificate of Designations, Voting Powers and Rights of Preferred Stock that is consistent with the terms set forth in the Plan and in form and substance reasonably satisfactory to the Plan Sponsors. Subject to applicable laws and regulations relating to the exchange of information, the Plan Sponsors

and the Company shall have the right to review in advance, and to the extent practicable each will consult with the other on all of the information relating to the Plan Sponsors or the Company, as the case may be, and any of their respective Subsidiaries, that appears in any filing made with, or written materials submitted to, any third party and/or any governmental entity in connection with the transactions contemplated by this Agreement or the Plan. In exercising the foregoing rights, each of the Company and the Plan Sponsors shall act reasonably and as promptly as practicable.

10. Conditions to the Obligations of the Parties.

(a) Subject to Section 10(b), the obligations of the Plan Sponsors hereunder to consummate the transactions contemplated hereby (including the Rights Offering and the Initial Sponsor Share Purchase) shall be subject to the satisfaction prior to the Closing Date of each of the following conditions, provided that the failure of a condition set forth in Sections 10(a)(xiii) through (xv) to be satisfied may not be asserted by the Plan Sponsors if such failure results solely from the failure of the Plan Sponsors to fulfill an obligation hereunder:

(i) Initial Approval Order. The Initial Approval Order shall have become a Final Approval Order. "Final Approval Order" shall mean an Initial Approval Order of the Bankruptcy Court, which has not been reversed, stayed, modified or amended, and as to which (a) the time to appeal, seek certiorari or request reargument or further review or rehearing has expired or been waived and no appeal, petition for certiorari or request for reargument or further review or rehearing has been timely filed, or (b) any appeal that has been or may be taken or any petition for certiorari or request for reargument or further review or rehearing that has been or may be filed has been resolved by the highest court to which the order or judgment was appealed, from which certiorari was sought or to which the request was made and no further appeal or petition for certiorari or request for reargument or further review or rehearing has been or can be taken or granted.

(ii) Approval of Plan. The Plan, Disclosure Statement, Confirmation Order and any related documents, agreements and arrangements, including any amendments or supplements to any of the foregoing, shall be in form and substance reasonably satisfactory to the Plan Sponsors.

(iii) Plan of Reorganization. The Company shall have complied in all material respects with the terms and conditions of the Plan that are to be performed by the Company prior to the Closing Date.

(iv) Confirmation Order. The Confirmation Order approving the Plan in form and substance reasonably acceptable to the Plan Sponsors shall have been entered by the Bankruptcy Court and such order shall be non-appealable, shall not have been appealed within fourteen (14) calendar days of entry

or, if such order is appealed, shall not have been stayed pending appeal, and there shall not have been entered by any court of competent jurisdiction any reversal, modification or vacation, in whole or in part, of such order (the "Confirmation Order").

(v) Conditions to Effective Date. The conditions to the occurrence of the Effective Date of the Plan confirmed by the Bankruptcy Court in the Confirmation Order (the "Confirmed Plan") shall have been satisfied or waived by the Company and the Plan Sponsors in accordance with the Plan.

(vi) Rights Offering. The Rights Offering shall have been conducted in all material respects in accordance with this Agreement and the Disclosure Statement and the Expiration Time shall have occurred.

(vii) Antitrust Approvals. All terminations or expirations of waiting periods, if any, imposed by any governmental or regulatory authority necessary for the consummation of the transactions contemplated by this Agreement, including under the HSR Act and any comparable regulations in any foreign jurisdiction, shall have occurred and all other notifications, consents, authorizations and approvals required to be made or obtained from any competition or antitrust authority shall have been made or obtained for the transactions contemplated by this Agreement.

(viii) Consents. (A) All FCC, Minister of Industry of Canada and other governmental and third party notifications, filings, consents, waivers and approvals required for the consummation of the transactions contemplated by this Agreement and the Plan, if any, shall have been made or received, and shall be final and in full force and effect without any condition or requirement that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or a material adverse effect on the current or future business or operations of the Plan Sponsors; (B) the FCC shall not have reconsidered the decision or order released by it, if any, (or a bureau or subdivision thereof) approving the transfer of control over the licenses and authorizations held by the TSN Debtors (the "FCC Order") on its own motion within thirty (30) days (or, if released by a bureau or other subdivision of the FCC, within forty (40) days) of release of the FCC Order; and (C) the FCC and the applicable courts having jurisdiction over any such matter shall have denied all petitions for reconsideration and applications for review and appeals (collectively, "Appeals") of the FCC Order (or of an FCC or court order affirming the FCC Order), or the periods for filing such Appeals shall have passed and no Appeal shall have been filed.

(ix) No Legal Impediment to Issuance. No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority, and

no judgment, injunction, decree or order of any federal, state or foreign court shall have been issued, that prohibits the implementation of the Plan or the Rights Offering or the transactions contemplated by this Agreement. There shall exist no claim, action, suit, investigation, litigation or proceeding, pending or threatened in any court or before any arbitrator or governmental instrumentality, which would prohibit the transactions contemplated by the Plan.

(x) Representations and Warranties. The representations and warranties of the Company contained in this Agreement shall be true and correct (disregarding all qualifications and exceptions contained therein relating to materiality, Material Adverse Effect or similar qualifications, other than such qualifications contained in Sections 4(h) and 4(i)) as of the date hereof and as of the Closing Date with the same effect as if made on and as of the date hereof and the Closing Date (except for representations and warranties made as of a specified date, which shall be true and correct only as of the specified date), except where the failure to be so true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to have, a Material Adverse Effect, other than with respect to the representations in Sections 4(b), 4(c), 4(d), and 4(cc), which shall be true and correct in all respects.

(xi) Covenants. The Company shall have performed and complied with all of its covenants and agreements contained in this Agreement and in any other document delivered pursuant to this Agreement (including in any Transaction Agreement) in all material respects through the Closing Date.

(xii) Financing. The Company shall have received the proceeds of the sale of the Shares.

(xiii) Registration Rights Agreement. The Company shall have entered into the Registration Rights Agreement with the Plan Sponsors in form and substance reasonably satisfactory to the Plan Sponsors.

(xiv) Shareholders Agreement. The Company shall have entered into the Shareholders Agreement with the Plan Sponsors in form and substance reasonably satisfactory to the Plan Sponsors.

(xv) Amended and Restated Constituent Documents. The Company shall have adopted an Amended and Restated Certificate of Incorporation, Amended and Restated Bylaws and Certificate of Designations, Voting Power and Rights of New Preferred Stock with terms consistent with this Agreement and in form and substance reasonably satisfactory to the Plan Sponsors.

(xvi) Industry Canada Approval. To the extent necessary, (A) the prior approval of the Minister of Industry of Canada (the "Industry Canada Approval") approving the transfer of control of Terrestar National

Services Inc., Terrestar Networks Holdings (Canada) Inc. and Terrestar Networks (Canada) Inc. to the Plan Sponsors or, at the option of the Plan Sponsors, the transfer or assignment of the licenses and authorizations held by the TSN Debtors to a party designated by the Plan Sponsors that is eligible to hold such licenses and authorizations, to the extent required by applicable law, including the licenses and authorizations, to consummate the transactions contemplated by the Plan, shall have been obtained and shall be final and in full force and effect without any condition or requirement that would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the current or future business or operations of the Plan Sponsors; and (B) the courts shall have denied all applications for judicial review or other court challenges to the Industry Canada Approval or appeals of any court order upholding the Industry Canada Approval, or the periods for filing such appeals shall have passed and no appeal shall have been filed.

(xvii) Termination Event. No termination event as provided in Section 13(b) or 13(c) below shall have occurred that shall not have been waived by the Plan Sponsors or the Company, as applicable.

(xviii) [Intercompany Claims. Upon consummation of the Plan and the closing hereunder, the TSN Debtors shall have no liabilities or obligations to any non-TSN Debtor Affiliate.][11]

(xix) Post-Effective Capital Structure. Upon consummation of the Plan and the closing hereunder, (A) the only outstanding Indebtedness of the Company and its Subsidiaries immediately following the Effective Date shall be the outstanding Indebtedness under that certain Terrestar-2 Purchase Money Credit Agreement, dated as of February 5, 2008, among the Company, as borrower, U.S. Bank National Association, as collateral 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 thereunder, and (B) the only outstanding capital stock of the Company shall be the New Common Stock and the New Preferred Stock issued pursuant to the terms set forth on Annex B and the Plan, and all issued and outstanding capital stock of the Subsidiaries shall be held by the Company.

(b) All or any of the conditions set forth in Section 10(a) may be waived in whole or in part in writing by the Plan Sponsors in its sole discretion.

(c) The obligation of the Company to issue and sell the Shares are subject to the satisfaction prior to the Closing Date of the following conditions, provided that the failure of a condition set forth in Sections 10(c)(vii) through (x) to be satisfied

[11] To be discussed.

may not be asserted by the Company if such failure results from the failure of the Company to fulfill an obligation hereunder:

(i) Initial Approval Order. The Initial Approval Order shall have become a Final Approval Order.

(ii) Antitrust Approvals. All terminations or expirations of waiting periods, if any, imposed by any governmental or regulatory authority necessary for the consummation of the transactions contemplated by this Agreement, including under the HSR Act and any comparable regulations in any foreign jurisdiction, shall have occurred and all other notifications, consents, authorizations and approvals required to be made or obtained from any competition or antitrust authority shall have been made or obtained for the transactions contemplated by this Agreement.

(iii) No Legal Impediment to Issuance. No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority, and no judgment, injunction, decree or order of any federal, state or foreign court shall have been issued, that prohibits the implementation of the Plan or the Rights Offering or the transactions contemplated by this Agreement.

(iv) Representations and Warranties. The representations and warranties of the Plan Sponsors contained in this Agreement or pursuant to Section 2(a) shall be true and correct (disregarding all qualifications and exceptions contained therein relating to materiality or material adverse effect on the Plan Sponsors' performance of their obligations or similar qualifications) as of the date hereof and as of the Closing Date with the same effect as if made on the date hereof and the Closing Date (except for the representations and warranties made as of a specified date, which shall be true and correct only as such specified date), except with respect to the Plan Sponsors' representations in all Sections other than Sections 5(b) and 5(c) where the failure to be so true and correct, individually or in the aggregate, has not and would not reasonably be expected, to prohibit, materially delay or materially and adversely impact the Plan Sponsors' performance of their obligations under this Agreement.

(v) Covenants. The Plan Sponsors shall have performed and complied with all of their covenants and agreements contained in this Agreement and in any other document delivered pursuant to this Agreement (including in any Transaction Agreement) in all material respects through the Closing Date.

(vi) Bankruptcy Court Approval. This Agreement shall have been approved pursuant to an order of the Bankruptcy Court and such order shall be non-appealable, shall not have been appealed within fourteen (14) calendar days of entry or, if such order is appealed, shall not have been stayed

pending appeal, and there shall not have been entered by any court of competent jurisdiction any reversal, modification or vacation, in whole or in part, of such order.

(vii) Confirmation Order. The Confirmation Order in form and substance reasonably acceptable to the TSN Debtors approving the Plan shall have been entered by the Bankruptcy Court and such order shall be non-appealable, shall not have been appealed within fourteen (14) calendar days of entry or, if such order is appealed, shall not have been stayed pending appeal, and there shall not have been entered by any court of competent jurisdiction any reversal, modification or vacation, in whole or in part, of such order.

(viii) Conditions to Effective Date. The conditions to the occurrence of the Effective Date of the Confirmed Plan shall have been satisfied or waived by the Company and the Plan Sponsors in accordance with the Plan.

(ix) Rights Offering. The Rights Offering shall have been conducted in all material respects in accordance with this Agreement and the Disclosure Statement and the Expiration Time shall have occurred.

(x) Financing. The Company shall have received the proceeds of the sale of the Shares.

(d) All of the conditions set forth in Section 10(c) may be waived in whole or in part in writing by the Company in its sole discretion.

11. Indemnification and Contribution.

(a) Subject to the approval of this Agreement by the Bankruptcy Court, whether or not the Rights Offering or the Initial Sponsor Share Purchase is consummated or this Agreement is terminated or the transactions contemplated hereby or the Plan are consummated, the Company (in such capacity, the "Indemnifying Party") shall indemnify and hold harmless the Plan Sponsors, their respective Affiliates and their respective officers, directors, stockholders, members, partners, employees, agents, advisors and controlling persons, in each case, solely in their capacity as such (each, an "Indemnified Person" or a "Representative"), from and against any and all losses, claims, damages, liabilities and reasonable expenses, joint or several, arising out of circumstances existing on or prior to the Closing Date ("Losses") to which any such Indemnified Person may become subject arising out of or in connection with any claim, challenge, litigation, investigation or proceeding ("Proceedings") instituted by a third party with respect to the Rights Offering, the Initial Sponsor Share Purchase, this Agreement, the other Transaction Agreements, any amendment or supplement thereto or the transactions contemplated by any of the foregoing and shall reimburse such Indemnified Persons for any reasonable legal or other reasonable out-of-pocket expenses as they are incurred in connection with investigating, responding to or

defending any of the foregoing; provided that the foregoing indemnification will not apply to Losses to the extent that they resulted from gross negligence, fraud or willful misconduct on the part of such Indemnified Person. If for any reason the foregoing indemnification is unavailable to any Indemnified Person or insufficient to hold it harmless, then the Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Person as a result of such Losses in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnifying Party on the one hand and such Indemnified Person on the other hand but also the relative fault of the Indemnifying Party on the one hand and such Indemnified Person on the other hand as well as any relevant equitable considerations. The indemnity, reimbursement and contribution obligations of the Indemnifying Party under this Section 11 shall be in addition to any liability that the Indemnifying Party may otherwise have to an Indemnified Person and shall bind and inure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnifying Party and any Indemnified Person.

(b) Promptly after receipt by an Indemnified Person of notice of the commencement of any Proceedings with respect to which the Indemnified Person may be entitled to indemnification hereunder, such Indemnified Person will, if a claim is to be made hereunder against the Indemnifying Party in respect thereof, notify the Indemnifying Party in writing of the commencement thereof; provided that (i) the omission so to notify the Indemnifying Party will not relieve the Indemnifying Party from any liability that it may have hereunder except to the extent it has been materially prejudiced by such failure and (ii) the omission so to notify the Indemnifying Party will not relieve it from any liability that it may have to an Indemnified Person otherwise than on account of this Section 11. In case any such Proceedings are brought against any Indemnified Person and it notifies the Indemnifying Party of the commencement thereof, the Indemnifying Party will be entitled to participate therein, and, to the extent that it may elect by written notice delivered to such Indemnified Person, to assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Person; provided that if the defendants in any such Proceedings include both such Indemnified Person and the Indemnifying Party and such Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or additional to those available to the Indemnifying Party, such Indemnified Person shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such Proceedings on behalf of such Indemnified Person. Upon receipt of notice from the Indemnifying Party to such Indemnified Person of its election so to assume the defense of such Proceedings and approval by such Indemnified Person of counsel, the Indemnifying Party shall not be liable to such Indemnified Person for expenses incurred by such Indemnified Person in connection with the defense thereof (other than reasonable costs of investigation) unless (i) such Indemnified Person shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the preceding sentence (it being understood, however, that the Indemnifying Party shall not be liable for the expenses of more than one separate counsel in any jurisdiction, approved by the Plan Sponsors, representing the Indemnified Persons

who are parties to such Proceedings), (ii) the Indemnifying Party shall not have employed counsel reasonably satisfactory to such Indemnified Person to represent such Indemnified Person within a reasonable time after notice of commencement of the Proceedings or (iii) the Indemnifying Party shall have authorized in writing the employment of counsel for such Indemnified Person.

(c) The Indemnifying Party shall not be liable for any settlement of any Proceedings effected without its written consent (which consent shall not be unreasonably withheld). If any settlement of any Proceeding is consummated with the written consent of the Indemnifying Party or if there is a final judgment for the plaintiff in any such Proceedings, the Indemnifying Party agrees to indemnify and hold harmless each Indemnified Person from and against any and all Losses by reason of such settlement or judgment in accordance with, and subject to the limitations of, the provisions of this Section 11. Notwithstanding anything in this Section 11 to the contrary, if at any time an Indemnified Person shall have requested the Indemnifying Party to reimburse such Indemnified Person for legal or other expenses aggregating in excess of $250,000 in connection with investigating, responding to or defending any Proceedings in connection with which it is entitled to indemnification or contribution pursuant to this Section 11, the Indemnifying Party shall be liable for any settlement of any Proceedings effected without its written consent if (i) such settlement is entered into more than (x) 60 days after receipt by the Indemnifying Party of such request for reimbursement and (y) 30 days after receipt by the Indemnified Party of the material terms of such settlement and (ii) the Indemnifying Party shall not have reimbursed such Indemnified Person in accordance with such request prior to the date of such settlement. The Indemnifying Party shall not, without the prior written consent of an Indemnified Person (which consent shall not be unreasonably withheld), effect any settlement of any pending or threatened Proceedings in respect of which indemnity has been sought hereunder by such Indemnified Person unless (i) such settlement includes an unconditional release of such Indemnified Person in form and substance reasonably satisfactory to such Indemnified Person from all liability on the claims that are the subject matter of such Proceedings and (ii) such settlement does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) All amounts paid by the Company to an Indemnified Person under this Section 11 shall, to the extent the transactions contemplated hereby or the Plan are consummated and to the extent permitted by applicable law, be treated as adjustments to Purchase Price for all Tax purposes.

12. Survival of Representations and Warranties, Etc.

(a) The representations and warranties made in this Agreement shall not survive the Closing Date. Other than Sections 2(f), 2(g), 6(g), 6(r), 11, 12, 14, 15, 16, 17, 20 and 22, which shall survive the Closing Date in accordance with their terms, the covenants contained in this Agreement shall not survive the Closing Date.

(b) Other than with respect to Sections 2(f) and 2(g) and Sections 11 through 20, which shall continue and survive any termination of this Agreement, following any termination of this Agreement, (i) the Plan Sponsors may not assert any claim against the Company (both as TSN Debtors-in-possession or the reorganized TSN Debtors), and the Company (both as TSN Debtors-in-possession or the reorganized TSN Debtors) may not assert any claim against the Plan Sponsors, in either case arising from this Agreement other than for willful breach, and (ii) the Plan Sponsors hereby release the Company (both as TSN Debtors-in-possession and the reorganized TSN Debtors) from any such claims, and the Company (both as TSN Debtors-in-possession or the reorganized TSN Debtors) hereby releases the Plan Sponsors from any such claims. Under no circumstances shall the Plan Sponsors be liable to the Company (as TSN Debtors-in-possession or reorganized TSN Debtors) for any punitive, special, indirect or consequential damages under this Agreement. Under no circumstances shall the Company (both as TSN Debtors-in-possession and reorganized TSN Debtors) be liable to the Plan Sponsors for any punitive, special, indirect or consequential damages under this Agreement.

13. Termination.

This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing Date:

(a) by mutual written consent of the Company and the Plan Sponsors;

(b) by either party if the Bankruptcy Court or any other court of competent jurisdiction enters an order declaring, in a final non-appealable order, that this Agreement is unenforceable;

(c) by the Plan Sponsors:

(i) if the Company fails to (A) file, jointly with the Plan Sponsor and in form and substance reasonably satisfactory to the Plan Sponsor, all necessary applications for approval of, and all required notifications to, the FCC regarding the transfers of control over all FCC licenses and authorizations held by the Company and its Subsidiaries or (B) collaborate with the Plan Sponsor to allow timely preparation of such applications and notifications, on or prior to [_____];[12]

(ii) if the Company fails to (A) file, in form and substance reasonably satisfactory to the Plan Sponsor, all applications necessary to obtain the approval the Minister of Industry of Canada of, and all required notifications to the Minister of Industry of Canada regarding, the transfers or assignments of all licenses and authorizations granted by the Minister of Industry of Canada held by the Company and its Subsidiaries or (B)

[12] Company to propose reasonable time.

collaborate with the Plan Sponsor to allow timely preparation of such applications and notifications, on or prior to [_____];[13]

(iii) upon the occurrence of an Event of Default (as defined in the DIP Agreement);

(iv) if either (A) the Initial Approval Order has not been entered by [_____][14] or (B) the Disclosure Statement has not been approved by a final, non-appealable order of the Bankruptcy Court on or before [_____][15];

(v) if a Bankruptcy Court hearing with respect to the confirmation of the Plan has not been commenced on or before [_____][16];

(vi) if a final, non-appealable order by the Bankruptcy Court confirming the Plan has not been entered on or before [_____][17];

(vii) if the Effective Date does not occur within two (2) Business Days after all conditions to consummation set forth in Section 10 have been satisfied and, in any event, on or before [_____][18], or such later date as may be mutually agreed by the Parties;

(viii) upon the request of the Plan Sponsors, (a) within seven (7) days of the issuance of any order in the Bankruptcy Court, a corresponding recognition order, in form and substance reasonably acceptable to the Plan Sponsors has not been entered in the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court"), or (b) such order has not become final and non-appealable within twenty-one (21) days after entry of such order by the Canadian Court;

(i) if the Company has entered into a definitive agreement with respect to any Alternate Transaction or obtained Bankruptcy Court approval of any Alternate Transaction;

(ii) if the Company enters into any material contractual obligations not otherwise explicitly permitted pursuant to the terms of this Agreement

[13] Company to propose reasonable time.

[14] Company to propose reasonable time.

[15] Company to propose reasonable time.

[16] Company to propose reasonable time.

[17] Company to propose reasonable time.

[18] Company to propose reasonable time.

without the prior written consent of the Plan Sponsors, such consent not to be unreasonably withheld;

(iii) if there is a material modification to any terms of the Transaction that is inconsistent with the terms and conditions set forth in this Agreement, without the prior written consent of the Plan Sponsors;

(iv) if the Company withdraws, or files a motion to withdraw, the Plan or submits an amended plan of reorganization or liquidation that is inconsistent with the terms and provisions of this Agreement;

(v) if any event, development or circumstance (other than any event, development or circumstance arising from or relating to the Chapter 11 Cases) occurs or occurred on or after June 30, 2010 that, either alone or in combination with any other such events, developments or circumstances, has had or would reasonably be expected to have a Material Adverse Effect;

(vi) if a trustee, responsible officer, or an examiner with powers beyond the duty to investigate and report, as set forth in subclauses (3) and (4) of clause (a) of section 1106 of the Bankruptcy Code is appointed under section 1104 of the Bankruptcy Code for service in the Chapter 11 Cases;

(vii) if the Chapter 11 Cases are converted to cases under chapter 7 of the Bankruptcy Code;

(viii) if the Chapter 11 Cases are dismissed by the Bankruptcy Court; or

(ix) if the Company violates, breaches or fails to perform any of its representations, warranties or covenants contained in this Agreement and such breach or failure to perform (x) would give rise to the failure of any condition set forth in Sections 10(a)(x) or (xi) to be satisfied as of the Effective Date; provided, however, that the right to terminate this Agreement pursuant to this provision shall not be available to the Plan Sponsors if they are then in breach with respect to any of their representations, warranties, covenants or other agreements contained in this Agreement and such breach or failure to perform would give rise to the failure of a condition set forth in Sections 10(c)(iv) or (v)to be satisfied as of the Effective Date;

provided, that, this Agreement shall terminate automatically upon (A) the seventh (7th) Business Day after the occurrence of the events set forth in subparagraphs (i), (iv), (v), (vi), (vii), (viii), (ii), (iii), (vii) or (viii) above, unless waived in writing by the Plan Sponsors, in their sole discretion before the expiration of such seven (7) Business Day period (unless the Closing Date shall occur during such seven (7) Business Day period, in which case the Plan Sponsors shall also have the right, in its sole discretion, to terminate this Agreement at any time prior to the Closing Date); or (B) in case of the events set forth in subparagraphs (iv), (v), (vi)

or (ix) above, upon (1) written notice of such event provided to the Company by the Plan Sponsors, provided that the Company hereby agrees to waive the requirement that the automatic stay under section 362 of the Bankruptcy Code be lifted in connection with giving such notice (and not to object to the Plan Sponsors seeking to lift the automatic stay in connection with giving such notice, if necessary) and (2) such event remaining uncured for at least ___ days following the delivery of written notice thereof; provided, further that the Plan Sponsors shall not have the right to terminate this Agreement pursuant to this Section 13(c) if the failure to meet any deadline or requirement set forth in this Section 13(c) or to otherwise satisfy any condition is the direct and sole result of any action taken or the omission of any act by any Plan Sponsor; or

(d) by the Company:

(i) if the Plan Sponsors breach Section 2(a) or 2(b) of this Agreement;

(ii) if the Chapter 11 Cases are converted to cases under chapter 7 of the Bankruptcy Code;

(iii) if the Chapter 11 Cases are dismissed by the Bankruptcy Court;

(iv) in connection with, or at any time following the execution or approval of an Alternate Transaction by the Bankruptcy Court;

(v) if the Effective Date does not occur within two Business Days after all conditions to consummation set forth in Section 10 have been satisfied and, in any event, on or before [_____][19], or such later date as may be mutually agreed by the Parties; or

(vi) if the Plan Sponsors violate, breach or fail to perform any of their representations, warranties or covenants contained in this Agreement and such breach or failure to perform would give rise to the failure of any condition set forth in Sections 10(c)(iv) or (v) to be satisfied as of the Effective Date; provided, however, that the right to terminate this Agreement pursuant to this provision shall not be available to the Company if it is then in breach with respect to any of its representations, warranties, covenants or other agreements contained in this Agreement and such breach or failure to perform would give rise to the failure of a condition set forth in Sections 10(a)(x) or (xi) to be satisfied as of the Effective Date.

[19] Company to propose reasonable time.

provided, that, upon the occurrence of the termination events set forth in subparagraphs (i), (ii), (iii) or (vi) above, the termination of this Agreement shall be effective upon (A) written notice being provided to the Plan Sponsors by the Company; and (B) such breach (if applicable) remaining uncured for at least [____] days following the Plan Sponsors' receipt of such notice.

Upon termination under this Section 13, all rights and obligations of the parties under this Agreement shall terminate without any liability of any party to any other party except that (i) nothing contained herein shall release any party hereto from liability for any willful breach and (ii) the covenants and agreements made by the parties herein in Sections 2(f) and 2(g) and Sections 11 through 20 will survive indefinitely in accordance with their terms.

14. Notices. All notices and other communications in connection with this Agreement will be in writing and will be deemed given (and will be deemed to have been duly given upon receipt) if delivered personally, sent via electronic facsimile (with confirmation), mailed by registered or certified mail (return receipt requested) or delivered by an express courier (with confirmation) to the parties at the following addresses (or at such other address for a party as will be specified by like notice):

(a) If to:

TerreStar Networks Inc.
[_____]
[_____]
Facsimile: [(___) ___-____]
Attention: [_____]

with a copy to:

[Akin Gump]
[_____]
[_____]
Facsimile: [(___) ___-____]
Attention: [_____], Esq.

(b) If to:

Plan Sponsors
[_____]
[_____]
Facsimile: [(___) ___-____]
Attention: [_____]

with a copy to:

Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 10022
Facsimile: (212) 446-4900
Attention: Patrick Nash
Jonathan Henes

15. Assignment; Joinder; Third Party Beneficiaries. Neither this Agreement nor any of the rights, interests or obligations under this Agreement will be assigned by any of the parties (whether by operation of law or otherwise) without the prior written consent of the other parties, except that any Plan Sponsor may assign its rights, interests and obligations under this Agreement to an Affiliate of such Plan Sponsor; provided, that any such assignee assumes the obligations of a Plan Sponsor hereunder and agrees in writing to be bound by the terms of this Agreement in the same manner as the Plan Sponsors. Notwithstanding the foregoing or any other provisions herein, no such assignment will relieve any Plan Sponsor of its obligations hereunder if such assignee fails to perform such obligations. Any holder of a Senior Secured PIK Notes Claim may become a Plan Sponsor under this Agreement if (i) such holder agrees in writing to be bound by the terms of this Agreement in the same manner as the Plan Sponsors (excluding terms applicable to the Initial Sponsors) and (ii) a majority of the Plan Sponsors consent to the joinder of such holder, such consent not to be unreasonably withheld. Except as provided in Section 11 with respect to the Indemnified Persons, this Agreement (including the documents and instruments referred to in this Agreement) is not intended to and does not confer upon any person other than the parties hereto any rights or remedies under this Agreement.

16. Prior Negotiations; Entire Agreement. This Agreement (including the agreements attached as exhibits to and the documents and instruments referred to in this Agreement constitutes the entire agreement of the parties and supersedes all prior agreements, arrangements or understandings, whether written or oral, between the parties with respect to the subject matter of this Agreement, except that the parties hereto acknowledge that any confidentiality agreements heretofore executed among the parties will continue in full force and effect.

17. GOVERNING LAW; VENUE. THIS AGREEMENT WILL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK. THE PLAN SPONSOR HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF, AND VENUE IN, THE UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND WAIVE ANY OBJECTION BASED ON FORUM NON CONVENIENS. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS

AGREEMENT, OR THE BREACH, TERMINATION OR VALIDITY OF THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

18. Counterparts. This Agreement may be executed in any number of counterparts, all of which will be considered one and the same agreement and will become effective when counterparts have been signed by each of the parties and delivered to the other party (including via facsimile or other electronic transmission), it being understood that each party need not sign the same counterpart.

19. Conflicts. In the event any term or condition of this Agreement is inconsistent or in conflict with the terms of the Plan, the terms of the Plan shall govern and control.

20. Waivers and Amendments. This Agreement may be amended, modified, superseded, cancelled, renewed or extended, and the terms and conditions of this Agreement may be waived, only by a written instrument signed by all the parties or, in the case of a waiver, by the party waiving compliance, and subject, to the extent required, to the approval of the Bankruptcy Court; provided, that Annex A shall be amended upon to include any holder of a Senior Secured PIK Notes Claim that executes a joinder to this Agreement pursuant to Section 15. No delay on the part of any party in exercising any right, power or privilege pursuant to this Agreement will operate as a waiver thereof, nor will any waiver on the part of any party of any right, power or privilege pursuant to this Agreement, nor will any single or partial exercise of any right, power or privilege pursuant to this Agreement, preclude any other or further exercise thereof or the exercise of any other right, power or privilege pursuant to this Agreement. The rights and remedies provided pursuant to this Agreement are cumulative and are not exclusive of any rights or remedies which any party otherwise may have at law or in equity.

21. Adjustment to Shares. If, in accordance with the terms of this Agreement, the Company effects a reclassification, stock split (including a reverse stock split), stock dividend or distribution, recapitalization, merger, issuer tender or exchange offer, or other similar transaction with respect to any shares of its capital stock, references to the numbers of such shares and the prices therefore shall be equitably adjusted to reflect such change and, as adjusted, shall, from and after the date of such event, be subject to further adjustment in accordance herewith.

22. Headings. The headings in this Agreement are for reference purposes only and will not in any way affect the meaning or interpretation of this Agreement.

23. Publicity. The initial press release regarding this Agreement shall be a joint press release. Thereafter, the Company and the Plan Sponsors each shall consult with each other prior to issuing any press releases (and provide each other a reasonable opportunity to review and comment upon such release) or otherwise making public announcements with respect to the transactions contemplated by this Agreement and the Plan, and prior to making any filings with any third party or any governmental entity with respect thereto, except as may be required by law or by the request of any governmental entity.

24. Knowledge; Sole Discretion. The phrase "knowledge of the Company" and similar phrases shall mean the actual knowledge of (a) any individual who is serving as a director, manager, officer, partner, member, executor, trustee or similar position of the Company or any Subsidiary of the Company, (b) any employee of the Company or any Subsidiary of the Company who is charged with responsibility for the area of the operations related to such fact or matter, and (c) such other officers as the Company and the Plan Sponsors shall reasonably agree. Whenever in this Agreement any party is permitted to take an action or make a decision in its "sole discretion," the parties hereto acknowledge that such party is entitled to make such decision or take such action in such party's sole and absolute and unfettered discretion and shall be entitled to make such decision or take such action without regard for the interests of any other party and for any reason or no reason whatsoever. Each party hereto acknowledges, and agrees to accept, all risks associated with the granting to the other parties of the ability to act in such unfettered manner.

25. Specific Performance. The parties acknowledge and agree that any breach of the terms of this Agreement would give rise to irreparable harm for which money damages would not be an adequate remedy, and, accordingly, the parties agree that, in addition to any other remedies, each shall be entitled to enforce the terms of this Agreement by a decree of specific performance without the necessity of proving the inadequacy of money damages as a remedy and without the necessity of posting bond.

26. Effectiveness. This Agreement is expressly contingent on, and shall automatically become effective on such date as both (a) the Initial Approval Order has been entered by the Bankruptcy Court and (b) each party to this Agreement has executed this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

TERRESTAR NETWORKS INC.

By: _____
Name:
Title:

PLAN SPONSORS:

[_____]

By: _____
Name:
Title:

Schedule 1

Index of Defined Terms

Each of the following defined terms has the meaning ascribed to it in the section referenced below.

Defined Term	Section
Material Contract	§4(j)
Monthly Financial Statements	§6(l)
Multiemployer Plan	§4(u)(i)
New Common Stock	§4(b)(i)
New Preferred Stock	§1(a)
Non-Backstopped Shares	§2(a)(ii)
Non-Backstopped Shares Purchase Notice	§2(a)(ii)
OFAC	§4(w)(ii)
Other Unsecured Claim	§1(a)
Owned Intellectual Property	§4(o)
Permitted Holders	§1(c)(iii)
Permitted Liens	§4(e)
Person	§4(h)(iii)
Plan	Recitals
Plan Sponsors	Preamble
Proceedings	§11(a)
Purchase Notice	§1(c)(v)
Purchase Price	§1(a)
Purchase Price per Share	§1(a)
Record Date	§1(a)
Registration Rights Agreement	§9(c)
Reportable Event	§4(u)(i)
Representative	§11(a)
Right	§1(a)
Rights Exercise Period	§1(c)(iii)
Rights Offering	§1(a)
Satisfaction Notice	§1(c)(v)
Securities Act	§4(m)
Senior Secured PIK Notes Claim	§1(a)
Senior Secured PIK Notes Indenture	§1(a)
Share	§1(a)
Shareholders Agreement	§9(c)
Subscription Agent	§1(c)(iii)
Subscription Form	§1(c)(ii)
Subsidiary	§4(a)
Takeover Statute	§4(cc)
Tax Return	§4(t)

Defined Term	Section
Taxes	§4(t)
Transaction	Recitals
Transaction Agreements	§4(b)(i)
Transaction Expenses	§2(g)
TSN Debtors	Recitals
Unaudited Financial Statements	§4(h)(ii)
Unsubscribed Shares	§2(a)(ii)
Withdrawal Liability	§4(u)(i)