

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**APPLICATION OF TERRESTAR NETWORKS INC.  
UNDER SECTION 46 OF  
THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED**

**SECOND REPORT OF THE INFORMATION OFFICER  
DELOITTE & TOUCHE INC.**

**NOVEMBER 18, 2010**

## INTRODUCTION

1. On October 19, 2010 (the "Petition Date"), TerreStar Networks Inc. ("TSNI"), Motient Holdings Inc., Motient Communications Inc., Motient License Inc., Motient Services Inc., MVH Holdings Inc., Motient Ventures Holding Inc., TerreStar National Services Inc., TerreStar License Inc., TerreStar New York Inc., 0887729 B.C. Ltd. ("088 B.C."), TerreStar Networks Holdings (Canada) Inc. ("Holdings Canada") and TerreStar Networks (Canada) Inc. ("TerreStar Canada") (collectively, the "Debtors")<sup>1</sup> each filed voluntary petitions under chapter 11 of title 11 of the United States Code (as jointly administered, the "U.S. Bankruptcy Proceeding") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). On October 20, 2010, the Bankruptcy Court entered an order authorizing the joint administration of the U.S. Bankruptcy Proceeding for procedural purposes only.
2. On October 19, 2010, pending approval of TSNI as Foreign Representative by the Bankruptcy Court, the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court") entered an order (the "Interim Initial Order") granting certain interim relief, including, among other things, a general stay of proceedings against the Debtors.
3. On October 20, 2010, the Bankruptcy Court also entered an order authorizing TSNI to act as the foreign representative of the Debtors (the "Foreign Representative").
4. On October 21, 2010, the Canadian Court entered an Initial Recognition Order and a Supplemental Order (together, the "Initial Recognition Orders") under Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as

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<sup>1</sup> For the Court's reference, a copy of the schedules filed by 088, Holdings Canada, and TerreStar Canada (the three Debtors which maintain offices in Canada) in the U.S. Bankruptcy Proceeding, are attached hereto as Exhibit A.

amended (the "CCAA"). in respect of the U.S. Bankruptcy Proceeding and certain orders entered therein (the "Recognition Proceeding").

5. On November 9, 2010, the Canadian Court entered an order (the "November 9th Order"), which recognized the following orders entered by the Bankruptcy Court: (a) the Bar Date Order;<sup>2</sup> (b) the Insurance Order; and (c) the Utilities Order.
6. To date, Deloitte, as Information Officer, has provided this Court with the following reports:
  - a. a pre-Recognition Proceeding report, dated October 20, 2010 (the "Pre-Filing Report"), to provide this Court with information relating to the Debtors' business and operations, their debt and capital structure, and other matters relevant to the Court's determination of the Foreign Representative's request for the Initial Recognition Orders; and
  - b. a first report of the Information Officer, dated November 5, 2010 (the "First Report"), to provide this Court with information relating to the Foreign Representative's request for the November 9th Order.

Copies of the Pre-Filing Report and the First Report are available on the Information Officer's website at: [www.deloitte.com/ca/terrestar-networks](http://www.deloitte.com/ca/terrestar-networks).

7. In preparing this second report of the Information Officer (the "Second Report"), Deloitte has relied solely on the information and documents supplied by the Foreign Representative and its counsel, including, but not limited to, documents publicly available on the docket of the U.S. Bankruptcy Proceeding. Deloitte has not audited, reviewed or otherwise attempted to independently verify the accuracy or completeness of the information contained in the materials supplied by the Foreign Representative and its counsel or materials filed in the U.S. Bankruptcy Proceeding, and which information is reflected in this Second Report. Accordingly, Deloitte expresses no opinion or other form of assurance on the information contained herein.

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<sup>2</sup> Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Pre-Filing Report or the First Report, as applicable.

## PURPOSE

8. The purpose of this Second Report is to:
- a. provide this Court with information relating to certain orders entered in the U.S. Bankruptcy Proceeding and the Foreign Representative's request to have such orders recognized by the Canadian Court (the "Order"); and
  - b. provide this Court with an overview of the chapter 11 plan (the "Plan") and Disclosure Statement relating to certain of the Debtors, which were filed in the U.S. Bankruptcy Proceeding on November 5, 2010.

## RECOGNITION OF FURTHER BANKRUPTCY COURT ORDERS

9. Deloitte understands that on November 17 and 18, 2010, the Bankruptcy Court entered the following orders that were approved at the November 16, 2010, hearing (collectively, the "U.S. Orders"):
- a. a final order approving the Debtors' entry into a secured DIP Facility (the "U.S. Final DIP Financing Order");
  - b. a final order (a) authorizing the Debtors to continue their existing cash management system, bank accounts and business forms, and paying any related fees, (b) granting post petition intercompany claims administrative expense priority, and (c) authorizing continued intercompany transactions (the "U.S. Final Cash Management Order"); and
  - c. an order (a) authorizing, but not directing, the debtors to pay certain taxes and fees, and (b) authorizing financial institutions to honour all related cheques and electronic payment requests (the "Taxes Order").
10. The Bankruptcy Court approved the Debtors' entry into the DIP Facility and the continuation of their cash management system on an interim basis on October 20, 2010, and this Court recognized such interim orders pursuant to its Supplemental Order on October 21, 2010. The Foreign Representative now requests recognition

of the "final" versions of these two orders in addition to recognition of the Taxes Order.

11. Deloitte understands that the proposed forms of U.S. Orders were attached to the application materials of the Foreign Representative in connection with its request for the Order. Deloitte further understands that the Foreign Representative will provide this Court with copies of the applicable signed U.S. Orders.
12. To assist this Court in its determination of the Foreign Representative's request for the Order, the Information Officer has summarized the U.S. Orders below.

*U.S. Final DIP Financing Order*

13. The Debtors obtained final approval from the U.S. Bankruptcy Court for the DIP Facility that the Debtors entered into with Echostar Corporation ("Echostar"), which is guaranteed by the other Debtors, including 088 B.C., TerreStar Canada, and Holdings Canada.
14. As discussed in the Epstein Declaration dated October 19, 2010, as of the Petition Date the Debtors had less than USD \$500,000 in cash to continue operations. Deloitte understands that, absent access to the DIP Facility, the Debtors will not be able to continue to operate their businesses, and would likely be forced to shut down operations. The Information Officer has been advised that the DIP Facility will permit the Debtors to remain operational, make critical capital expenditures, maintain business relationships with vendors, suppliers and customers, and pay employees, pending completion of the restructuring contemplated by the Plan. The Debtors and Echostar have agreed upon a budget for the nine-month period beginning on the Petition Date. Deloitte understands that the Debtors believe that the agreed upon budget is achievable and will allow the Debtors to operate pending completion of the restructuring contemplated by the Plan.
15. As discussed in the Pre-Filing Report, Deloitte understands that the Debtors' decision to enter into the DIP Facility was the culmination of an intense process, spanning several months with the assistance of their financial advisors,

Blackstone Advisory Partners L.P., targeted at procuring the best available financing under the circumstances.

16. Deloitte understands that the Debtors believe that the DIP Facility will provide the necessary financing required for the continued viability of the Debtors' businesses and the success of their reorganization efforts. Principal terms of the DIP Facility include:

- a. The aggregate amount of the DIP Facility is USD \$75 million, in the form of a non-amortizing, multiple draw, Junior Secured Superpriority Debtor-in-Possession Credit Agreement which amount includes the USD \$18 million interim financing facility which was approved by the interim order of the Bankruptcy Court made on October 20, 2010 (and recognized by this Court's Supplemental Order);
- b. The DIP Facility will mature on the earlier of:
  - i. nine months after the commencement of the U.S. Bankruptcy Proceeding;
  - ii. the date of the acceleration of the DIP Facility;
  - iii. 35 calendar days after the entry of the interim order approving the DIP Facility, unless a final order approving the DIP Facility is issued by the Bankruptcy Court;
  - iv. the closing date of a sale pursuant to section 363 of the Bankruptcy Code of all or substantially all of the Debtors' assets; or
  - v. the effective date of a chapter 11 plan.
- c. Proceeds of the DIP Facility shall be used to, among other things, fund working capital and general corporate needs in accordance with an agreed upon operating budget;
- d. Interest on the DIP Facility shall be charged at the rate of 15% per annum and paid in kind and added to the principal of the DIP Facility. An original issuance discount of 2% is also to be applied to each DIP Facility loan made available to the Debtors; and
- e. Fees include an upfront fee of 3% payable upon the occurrence of the

closing date, based on each DIP Facility lenders' commitment under the DIP Facility and payable in kind by adding the amount thereof to the principal. An unused commitment fee of 1% per annum is to be charged on the daily undrawn portion of the commitment in respect of the DIP Facility, payable monthly in arrears after the closing date, payable in kind.

17. Deloitte understands that after approval of the DIP Facility on an interim basis in the U.S. Bankruptcy Proceeding and recognition of same by this Court, the Debtors borrowed \$18 million under the DIP Facility (the maximum permitted on interim approval) and that the Debtors believe the remainder of the DIP Facility is required to fund their ongoing restructuring efforts.
18. On or before November 12, 2010, the following parties filed various objections in the U.S. Bankruptcy Proceeding to the U.S. Final DIP Financing Order: (i) Marathon Asset Management, L.P.; (ii) Harbinger Capital Partners LLC; (iii) Solus Alternative Asset Management LP and Remus Holdings LLC; (iv) Sprint Nextel Corporation; (v) the ad hoc committee of 15% senior secured payment in kind noteholders; and (vi) the statutory committee of unsecured creditors appointed in this U.S. Bankruptcy Proceeding (collectively, the "Objectors"). Certain of these parties also filed objections to the Debtors' motion for approval to assume the Restructuring Support Agreement that the Debtors had entered into with Echostar (the "RSA").
19. Deloitte understands that, in resolution of certain of these objections, the Debtors have, with the consent of Echostar, agreed to withdraw their motion for approval to assume the RSA and to amend the DIP Facility in certain respects.
20. In particular, the original DIP Facility has been amended to, among other things, eliminate references to the RSA and redefine or update certain definitions. Specifically, definitions for "Acceptable Plan", "Agreed Budget", "Milestone Requirement", and "Monthly Budget Report" were added or amended. Amendments were made to include the unsecured creditors committee, among others, as a recipient of bi-weekly and monthly reports. The first "Subsequent

Funding Date” pursuant to the DIP Facility is now December 15, 2010 and the “Loan” made thereon is not to exceed USD\$6 million. In addition, amendments were made limiting the investments in and transactions with non-subsidiary Debtors Motient Holdings Inc., Motient Communications Inc., Motient License Inc., Motient Services Inc., MVH Holdings Inc., Motient Ventures Holdings Inc. and TerreStar New York Inc. (the “Motient Loan Parties”) and providing for the removal of the Motient Loan Parties from the DIP Facility and the corresponding release and termination of any security granted by the Motient Loan Parties upon the repayment to Echostar, in full and in cash, of all principal and accrued interest owing by the Motient Loan Parties under the DIP Facility.

21. At the November 16, 2010 hearing in the U.S. Bankruptcy Proceeding on the U.S. Final DIP Financing Order which proceeded as a contested matter, the DIP objections that were either not resolved by the agreed upon changes to the DIP Facility or the U.S. Final DIP Financing Order were overruled by the Bankruptcy Court. In connection with approving the DIP Facility on a final basis, the U.S. Bankruptcy Court did, however, uphold an objection by the unsecured creditors’ committee that Echostar, in its capacity as DIP lender, not be granted a lien on avoidance actions in the U.S. Bankruptcy Proceeding or any proceeds thereof.
22. Deloitte has been advised that the Debtors believe recognition of the U.S. Final DIP Financing Order in Canada will not materially prejudice any creditor located in Canada.

*U.S. Final Cash Management Order*

23. Deloitte understands that the Debtors maintain an integrated cash management system that provides established mechanisms for the collection, management, disbursement and investment of funds used in business operations (the “Cash Management System”).
24. The Debtors’ Cash Management System includes various bank accounts used in the ordinary course of operations, with SunTrust Bank, HSBC Bank Canada, TD



Canada Trust and Royal Bank of Canada (the “Bank Accounts”). The Debtors’ primary operating accounts include an investment account in the name of TSNI, several Certificate of Deposit accounts at SunTrust Bank, and multiple disbursement accounts used to settle obligations from various accounts held at SunTrust Bank, HSBC Bank Canada, TD Canada Trust and Royal Bank of Canada. TSNI replenishes the disbursement accounts with amounts from the investment account as required.

25. Deloitte understands that to minimize expenses and continue operations in the normal course, the Debtors require the continuation of the Cash Management System. Specifically, the Debtors are seeking authority to:
  - a. continue use of their existing Cash Management System and Bank Accounts;
  - b. treat the Bank Accounts for all purposes as accounts for the Debtors as debtors in possession;
  - c. disburse funds from the Bank Accounts by all usual methods, including written cheque, wire transfer, debit and Automate Clearing House transfer;
  - d. perform obligations under documents governing the Cash Management System and Bank Accounts;
  - e. grant post petition intercompany claim administrative expense priority; and
  - f. continue their intercompany transactions in the ordinary course of business and in accordance with historical practices, subject to limitations contained in the DIP Facility.
26. Deloitte understands that the Debtors will ensure all post petition transfers and transactions are documented within their books and records to the same extent as before commencement of the U.S. Bankruptcy Proceeding.
27. The U.S. Final Cash Management Order (in the form proposed by the Debtors) was approved by the Bankruptcy Court at the November 16, 2010 hearing.

*Taxes Order*

28. In the ordinary course of business, the Debtors: (a) collect and incur taxes, including certain business, franchise, personal property, sales and use, goods and services, excise and other taxes (collectively, the “Taxes”); (b) charge fees and other similar charges and assessments (collectively, the “Fees”) on behalf of various taxing, licensing and other governmental authorities (collectively, the “Governmental Authorities”); and (c) pay Fees to such Governmental Authorities for licenses and permits required to conduct the Debtors’ business. The Debtors pay the Taxes and Fees monthly, quarterly or annually to the respective Governmental Authorities, as required.
29. With respect to the Canadian operations, the Debtors are responsible for paying Canadian corporation, retail sales and capital taxes (the “Canadian Taxes”). Deloitte understands that in 2009, the Debtors paid approximately CDN \$119,000 in Canadian Taxes and the Debtors estimate that they will owe approximately CDN \$50,000 in Canadian Taxes for the 2010 tax year. The anticipated reduction is based on the phasing out of the Ontario capital tax in July 2010.
30. As a satellite communications company, the Debtors are subject to regulation and oversight by the U.S. Federal Communications Commission (the “FCC”) and incur regulatory fees in the ordinary course of business (the “FCC Fees”). The Debtors annual FCC Fees are approximately \$1,500, including \$240 in accrued prepetition FCC Fees, and are due in August 2011.
31. In addition to the FCC Fees, the Debtors also incur, in the ordinary course of business, approximately CDN \$39,000 in Canadian regulatory fees per year (the “Canadian Regulatory Fees”) in connection with the operation of the TerreStar-1 satellite and five Canadian calibration earth stations. The Canadian Regulatory Fees are payable to the Canadian Government on an annual basis. Included in the Canadian Regulatory Fees are mobile satellite service license fees, radio license fees and spectrum fees. Deloitte understands that the Debtors estimate that, as of

October 19, 2010, they have approximately CDN \$16,250 in accrued prepetition Canadian Regulatory Fees, that will come due in March 2011.

32. The Debtors believe that failure to pay the Taxes, Fees and Canadian Regulatory Fees could materially and adversely impact their business operations. The Governmental Authorities might attempt to suspend the Debtors' operations, file liens, seek to lift the automatic stay and pursue other remedies that would be administratively burdensome to the Debtors' estates. Deloitte understands that failure to make such payments could subject certain directors and officers of the Debtors to personal liability. With respect to the Fees, the Debtors' failure to pay such Fees to the applicable Governmental Authorities and other relevant third parties could cause the Debtors to incur late fees, penalties and other charges in addition to the Fees.
33. The Taxes Order (in the form proposed by the Debtors) was approved by the Bankruptcy Court at the November 16, 2010 hearing, and authorizes, but does not direct, the Debtors to pay any amounts that may come due on account of prepetition claims relating to certain business, franchise, personal property, sales and use, goods and services, excise and other Taxes, as well as certain annual reporting fee, Canadian Regulatory Fees and fees payable to the FCC.

#### **OVERVIEW OF THE RESTRUCTURING PLAN AND DISCLOSURE STATEMENT**

34. As noted, on November 5, 2010, certain of the Debtors filed with the Bankruptcy Court a Plan and a disclosure statement related thereto (the "Disclosure Statement"). The Plan and Disclosure Statement are available on the claim and noticing agent's website at: <http://www.terrestarinfo.com/index.php> and on the Information Officer's website at: <http://www.deloitte.com/ca/terrestar-networks>.
35. In connection with a stipulation entered into by the Debtors and certain of the preferred stockholders of TSNI's parent company, non-debtor TerreStar Corporation, relating to the preferred stockholders' motion to dismiss the chapter

11 cases of Motient Holdings Inc., MVH Holdings Inc., TerreStar New York Inc., Motient Communications Inc., Motient Services Inc., Motient Ventures Holding Inc., and Motient License Inc., the Plan applies only to TSNI, TerreStar National Services, Inc., 088 B.C., TerreStar License Inc., Holdings Canada and TerreStar Canada (collectively the "TSN Debtors").

36. The Plan contemplates a restructuring transaction supported by the Debtors' largest secured creditor, Echostar, which includes, among other things, (i) the equitization of the TSN Debtors' approximately \$1 billion of secured debt obligations, and (ii) a USD\$125 million new money rights offering to purchase newly issued Series A Preferred Convertible Stock (the "Rights Offering Preferred Stock"), USD\$100 million of which will be backstopped by Echostar. Under the Plan, the reorganized TSN Debtors' sole remaining debt instrument claim will be the approximately USD\$85.9 million owing under the PMCA.
37. The Plan organizes creditors and equity holders with a claim (a "Claim") against a TSN Debtor into eight classes ("Classes" or individually, a "Class"). Distribution under the Plan, for most Classes, is limited to: (a) any Claim (or portion of a Claim) to which no action to dispute, deny, equitably subordinate or otherwise limit recovery or alter priority, has been filed, (b) any Claim (or portion of a Claim) that is allowed (i) in any contract, instrument, indenture or other agreement entered into in connection with the Plan, (ii) pursuant to the terms of the Plan, (iii) by final order of the Bankruptcy Court, or (iv) an administrative expense claim, that is not disputed and was incurred by a TSN Debtor in the ordinary course of business during the U.S. Bankruptcy Proceeding, which will be satisfied in full in cash.
38. A summary of the status, voting rights, and Plan treatment for the various Classes is set out in the following table:<sup>3</sup>

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<sup>3</sup> Capitalized terms used in this summary but not otherwise defined shall have the meanings ascribed to such terms in the Plan.

<b>Class</b>	<b>Name of Class</b>	<b>Status</b>	<b>Voting Rights</b>	<b>Plan Treatment</b>
1	Other Priority Claims	Unimpaired	No (deemed to accept)	Cash in full for Allowed Other Priority Claims except if the holder has been paid in part or in whole or agrees to a less favorable treatment.
2	Other Secured Claims	Unimpaired	No (deemed to accept)	Allowed Other Secured Claims shall be reinstated and unimpaired or receive, at the discretion of the Debtors, either (i) cash in full amount, (ii) proceeds of the sale of the collateral securing such Allowed Other Secured Claim to the extent of the value of the holder's secured interest, (iii) return of the collateral securing the Allowed Other Secured Claim, or (iv) other distribution as necessary under the U.S. Bankruptcy Code.
3	Senior Secured Notes Claims	Impaired	Yes	Pro Rata share of (i) 97% of the New Common Stock, and (ii) rights to purchase 97% of the Rights Offering Preferred Stock. Record Date to be established by TSNI and approved by the Bankruptcy Court (the "Subscription Record Date").
4	PMCA Claims	Unimpaired	No (deemed to accept)	PMCA Claims will be reinstated.
5	Senior Exchangable Notes Claims	Impaired	Yes	Receive its Pro Rata share of (i) at least 1% but no more than 3% of the New Common Stock, and (ii) Rights to purchase at least 1% but no more than 3% of the Rights Offering Preferred Stock. Subscription Record Date to be established.

Class	Name of Class	Status	Voting Rights	Plan Treatment
6	Other Unsecured Claims	Impaired	Yes	Receive its Pro rata share, unless holder made a Convenience Class Election <sup>4</sup> , of (i) 3% of the New Common Stock less any amount of New Common Stock distributed pursuant to the Class 5 distribution, and (ii) Rights to purchase 3% of the Rights Offering Preferred Stock less any rights to purchase Rights Offering Preferred Stock distributed pursuant to the Class 5 distribution.
7	Unsecured Convenience Claims	Impaired	Yes	Receive cash in an amount equal to the lesser of (i) 10% of such holders' Unsecured Convenience Claim, and (ii) such holder's pro rata share of a pool of USD \$500,000 to be established by the Debtors to fund payment to this Class.
8	Equity Interests	Impaired	No (deemed to reject)	Deemed cancelled and there shall be no distribution to holders of Equity Interests.

39. Under the Plan, the following claims are not separately classified:

- a. Claims for costs and expenses of administration of the U.S. Bankruptcy Proceeding and any claim of a governmental unit (the "Allowed Administrative and Priority Tax Claims");

<sup>4</sup> Each holder of an Allowed Class 6 Claim in an amount over USD\$25,000 may elect to be treated as a holder of a Class 7 Claim by electing to reduce its Class 6 Claim to the amount of USD\$25,000 (the "Convenience Class Election"). Upon any Convenience Class Election, the Class 6 Claim will be reduced to USD\$25,000 and shall no longer be entitled to any other distribution (other than the Class 7 distribution) contemplated by the Plan.

- b. Claims derived from or based on the DIP Facility, including claims for principal, interest, fees or expenses (“Allowed DIP Claims”); and
  - c. All U.S. Trustee quarterly fees, including interest, on all disbursements, including Plan payments and disbursements in and outside the ordinary course of business (the “Statutory Fees”).
40. Under the Plan, holders of Allowed Administrative and Priority Tax Claims, Allowed DIP Claims and Statutory Fees will be paid in full in cash, will be left unimpaired, or will be granted treatment as agreed between the TSN Debtors and the applicable creditor.
41. As discussed in the Disclosure Statement, the TSN Debtors’ intended restructuring timeline is established by the milestones contained in the DIP Facility, which include:
- a. an application with the Federal Communications Commission filed by December 14, 2010;
  - b. issuance of a final order approving the Disclosure Statement from the Bankruptcy Court no later than December 14, 2010;
  - c. confirmation of the Plan by the Bankruptcy Court no later than January 31, 2011;
  - d. issuance of a final order of the Bankruptcy Court approving the confirmation of a Plan no later than February 14, 2011; and
  - e. occurrence of the effective date of the Plan no later than May 31, 2011, or such later date that is mutually agreed upon by the parties to the agreement.
42. Deloitte understands that the hearing in respect of the Debtors’ motion for entry of an order approving the adequacy of the Disclosure Statement and to approve the notice of the hearing to approve the Disclosure Statement is scheduled for December 10, 2010. Deloitte also understands that upon entry of an order of the

Bankruptcy Court approving the Disclosure Statement, the Debtors also intend to request recognition of this Court regarding same.

**RECOMMENDATION OF THE PROPOSED INFORMATION OFFICER WITH  
RESPECT TO THE RECOGNITION OF THE ORDERS**

43. Deloitte, as Information Officer, recommends that this Court recognize the U.S. Final Cash Management Order and the Taxes Order as the Information Officer understands that these orders are typical of orders granted in other large chapter 11 cases and that the Debtors believe they are necessary for the protection of the Debtors' property and the interests of the Debtors' estate and are appropriate.
44. In accordance with the Affidavit of Douglas Brandon sworn on November 12, 2010, the Supplemental Affidavit of Douglas Brandon sworn on November 18, 2010, and the DIP Facility, Deloitte also understands that recognition by this Court of the U.S. Final DIP Financing Order is a condition to further required funding under the DIP Facility, and that the Debtors believe such recognition is necessary for the protection of the Debtors' property and the interests of the Debtors' estate. Based on the foregoing and the materials referenced herein and in the Pre-Filing Report, Deloitte also recommends recognition of the U.S. Final DIP Financing Order by this Court.



All of which is respectfully submitted at Toronto, Ontario, this 18th day of November, 2010.

**DELOITTE & TOUCHE INC.**

(solely in its capacity as Information Officer)

Per:   
Pierre Laporte, CA•CIRP  
President

Per:   
Paul Casey, CA•CIRP  
Senior Vice-President

**Exhibit A**

**To the Second report of the Information Officer  
Deloitte & Touche Inc.**

## **Schedule “A”**

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*Proposed Counsel to the Debtors and Debtors in Possession*

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

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

**GLOBAL NOTES AND STATEMENT OF LIMITATIONS,  
METHODS AND DISCLAIMER REGARDING DEBTORS' SCHEDULES  
OF ASSETS AND LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS**

The above-captioned debtors and debtors in possession (collectively, the “*Debtors*”) are filing their respective Schedules of Assets and Liabilities (the “*Schedules*”) and Statements of Financial Affairs (the “*Statements*” and, with the Schedules, the “*Schedules and Statements*”) in the United States Bankruptcy Court for the Southern District of New York (the “*Bankruptcy Court*”). The Debtors, with the assistance of their advisors, prepared the Schedules and Statements in accordance with section 521 of title 11 of the United States Code (the “*Bankruptcy Code*”) and Rule 1007 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”).

These Global Notes and Statements of Limitations, Methods and Disclaimer Regarding the Debtors’ Schedules of Assets and Liabilities and Statements of Financial Affairs (collectively, the “*Global Notes*”) pertain to, are incorporated by reference in, and comprise an integral part of,

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

all the Schedules and Statements. These Global Notes should be referred to and reviewed in connection with any review of the Schedules and Statements.<sup>2</sup>

The Schedules and Statements have been prepared by the Debtors' management and are unaudited and subject to further review and potential revision. In preparing the Schedules and Statements, the Debtors relied on financial data derived from their books and records as were available at the time of preparation. The Debtors' management and advisors have made reasonable efforts to ensure that they are as accurate and complete as possible under the circumstances based on information that was available to them at the time of preparation; however, subsequent information or discovery may result in material changes to the Schedules and Statements and inadvertent errors or omissions may exist, notwithstanding any such discovery or new information, however the Debtor shall not be required to update the Schedules and Statements.

**Global Notes Control.** In the event that the Schedules and Statements differ from the Global Notes, the Global Notes shall control.

**Reservation of Rights.** Nothing contained in the Schedules and Statements or these Global Notes shall constitute a waiver of any of the Debtors' rights or an admission with respect to their chapter 11 cases including, but not limited to, any issues involving objections to claims, substantive consolidation, equitable subordination, defenses, characterization or recharacterization of contracts, assumption or rejection of contracts under the provisions of Bankruptcy Code chapter 3 and/or causes of action arising under the provisions of Bankruptcy Code chapter 5 or any other relevant applicable laws to recover assets or avoid transfers.

**Description of the Case and "as of" Information Date.** On October 19, 2010 (the "*Petition Date*"), each of the Debtors filed a petition for relief with the Bankruptcy Court under Bankruptcy Code chapter 11. The Debtors continue to operate their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. On October 20, 2010, the Bankruptcy Court entered an order jointly administering these cases pursuant to Bankruptcy Rule 1015(b). On October 29, 2010, the United States Trustee for the Southern District of New York (the "*U.S. Trustee*") appointed a statutory committee of unsecured creditors pursuant to section 1102(a)(1) of the Bankruptcy Code (the "*Committee*").

Unless specifically noted otherwise, all asset values are as of September 30, 2010, and all other amounts listed in the Schedules and Statements are as of the Petition Date.

**Corporate Structure.** A description of the Debtors' corporate structure is set forth in the Declaration of Jeffrey W. Epstein, Chief Executive Officer of TerreStar Networks Inc., in Support of First Day Pleadings, which was filed on the Petition Date.

**Amendment.** Although reasonable efforts were made to file complete and accurate Schedules and Statements, inadvertent errors or omissions may exist. Thus, the Debtors reserve

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<sup>2</sup> These Global Notes are in addition to any specific notes contained in each Debtor's Schedules or Statements. The fact that the Debtors have prepared a Global Note with respect to any of the Schedules and Statements and not to others should not be interpreted as a decision by the Debtors to exclude the applicability of such Global Note to any of the Debtors' remaining Schedules and Statements, as appropriate.

all rights to amend or supplement their Schedules and Statements from time to time as may be necessary or appropriate.

**Basis of Presentation.** For financial reporting purposes, the Debtors and certain of their non-debtor affiliates historically prepare consolidated financial statements. Unlike the consolidated financial statements, the Schedules and Statements, except where otherwise indicated, reflect the assets and liabilities of each Debtor on a non-consolidated basis. Accordingly, the totals listed in the Schedules and Statements will likely differ, at times materially, from the consolidated financial reports prepared by the Debtors for financial reporting purposes or otherwise.

Although these Schedules and Statements may, at times, incorporate information prepared in accordance with generally accepted accounting principles (“GAAP”), the Schedules and Statements neither purport to represent nor reconcile financial statements otherwise prepared and/or distributed by the Debtors in accordance with GAAP or otherwise. To the extent that a Debtor shows more assets than liabilities, this is not an admission that the Debtor was solvent at the Petition Date or at any time prior to the Petition Date. Likewise, to the extent that a Debtor shows more liabilities than assets, this is not an admission that the Debtor was insolvent at the Petition Date or at any time prior to the Petition Date.

**Consolidated Accounts Payable and Disbursements System.** The Debtors utilize consolidated accounts payable and disbursement systems in their day-to-day operations, the effect of which, in part, is that certain accounts payable and or payment detail is not readily available on a legal entity basis. Although efforts have been made to attribute open payable amounts to the correct legal entity, the Debtors reserve their right to modify or amend the Schedules and Statements to attribute such payable to a different legal entity, if appropriate. Payments made are listed by the entity making such payment notwithstanding that many such payments may have been made on behalf of another entity.

**Confidentiality.** There may be instances within the Schedules and Statements where names, addresses, or amounts have been left blank. Due to concerns of confidentiality, or concerns for privacy of an individual, the Debtors may have deemed it appropriate and necessary to avoid listing such names, addresses, and amounts. To the extent that certain addresses are withheld, the Debtors will make such address available upon reasonable request and agreement to enter into an appropriate confidentiality arrangement.

**Intercompany Claims and Transfers.** Receivables and payables among the Debtors in these cases (each an “*Intercompany Receivable*” or “*Intercompany Payable*”) are reported in the Schedules. To the extent a Debtor owes an Intercompany Payable, it is reported on Schedule F as a claim of such Debtor. To the extent a Debtor has an Intercompany Receivable, it is reported on Schedule B16 as an asset of such Debtor. While the Debtors have used reasonable efforts to ensure that the proper intercompany balances are attributed to each legal entity, all rights to amend these items on the Schedules and Statements are reserved.

Intercompany transfers can be characterized in many ways. The Debtors reserve all of their rights with respect to the intercompany balances listed in the analysis, including, but not

limited to, the appropriate characterization of such intercompany balances and the amounts of such balances, which are still being identified by the Debtors.

The Debtors have listed all Intercompany Payables as unsecured non-priority claims on Schedule F for each applicable Debtor but reserve their rights, except as otherwise may be agreed to pursuant to a stipulation filed with the Bankruptcy Court, to later change the characterization, classification, categorization or designation of such claims, including by designating all or any portion of the amounts listed as secured.

**Insiders.** For purposes of the Schedules and Statements, the Debtors define “insiders” pursuant to Bankruptcy Code section 101(31) as (a) directors, (b) officers, (c) those in control of the Debtors, (d) relatives of directors, officers, or persons in control of the Debtors, and (e) affiliates, or insiders of affiliates. Inter-company payments between the Debtors are not so listed.

Persons listed as “insiders” have been included for informational purposes only. The Debtors do not take any position with respect to (a) such person’s influence over the control of the Debtors, (b) the management responsibilities or functions of such individual, (c) the decision-making or corporate authority of such individual or (d) whether such individual could successfully argue that he or she is not an “insider” under applicable law, including, without limitation, the federal securities laws, or with respect to any theories of liability or for any other purpose.

**Recharacterization.** The Debtors have made reasonable efforts to characterize, classify, categorize, or designate the claims, assets, executory contracts, unexpired leases and other items reported in the Schedules and Statements correctly. The Debtors reserve all rights to recharacterize, reclassify, recategorize, or redesignate items reported in the Schedules and Statements at a later time as is necessary or appropriate as additional information becomes available, including, without limitation, whether contracts listed herein were executory as of the Petition Date or remain executory postpetition and whether leases listed herein were unexpired as of the Petition Date or remain unexpired postpetition.

**Consolidation of Certain Information.** Information that is provided on a consolidated basis is specifically indicated in the applicable Schedules and Statements. The listing of information on a consolidated basis is not, and should not be interpreted as, an admission or view as to the appropriateness of substantive consolidation. The Debtors reserve all rights to amend or supplement their Schedules and Statements that reflect information on a consolidated basis to present such information on an unconsolidated basis as is necessary and appropriate.

#### **Summary of Significant Reporting Policies.**

- a) **Foreign Currency.** All amounts shown in the Schedules are in U.S. Dollars, which in some cases reflects a conversion based on foreign exchange rates as of September 30, 2010.
- b) **Current Market Value – Net Book Value.** In many instances, current market valuations are neither maintained by nor readily available to the Debtors. It would be prohibitively expensive and unduly burdensome to obtain current market valuations of the Debtors’ property interests that are not maintained or

readily available. Accordingly, unless otherwise indicated, the Schedules and Statements reflect the net book values as of September 30, 2010, rather than current market values, of the Debtors' assets as of the Petition Date and may not reflect the net realizable value. For this reason, amounts ultimately realized will vary, at some times materially, from net book value. Additionally, the amount of certain liabilities may be "unknown" or "undetermined" and thus, ultimate liabilities may differ materially from those states in the Schedules and Statements.

- c) **Liabilities.** Unless otherwise indicated, all liabilities are listed as of October 19, 2010.
- d) **Paid Claims.** Pursuant to certain first-day and second-day orders issued by the Bankruptcy Court (collectively, the "***First Day Orders***"), the Bankruptcy Court has authorized the Debtors to pay certain outstanding prepetition claims, such as certain employee wages and benefits claims, claims for taxes and fees, and utility claims. Although not all claims previously paid pursuant to a First Day Order will be listed in the Schedules and Statements, certain of these claims that have been paid may appear in the Schedules and Statements. Regardless of whether such claims are listed in the Schedules and Statements, to the extent that such claims are paid pursuant to an order of the Bankruptcy Court (including the First Day Orders), the Debtors reserve all rights to amend or supplement their Schedules and Statements as necessary and appropriate. Certain of the First Day Orders preserve the rights of parties in interest to dispute any amounts paid pursuant to First Day Orders. Nothing herein shall be deemed to alter the rights of any party in interest to contest a payment made pursuant to a First Day Order that preserves such right to contest.
- e) **Credits and Adjustments.** The claims of individual creditors for, among other things, goods, products or services or taxes are listed as the amounts entered on the Debtors' books and records and may not reflect credits, allowances or other adjustments due from such creditors to the Debtors. The Debtors reserve all of their rights with regard to such credits, allowances and other adjustments, including the right to assert claims objections and/or setoffs with respect to the same.
- f) **Leases.** In the ordinary course of business, certain of the Debtors may lease property and equipment from third party lessors for use in the daily operation of their businesses. The Debtors' obligations pursuant to the same have been listed on Schedule F. The underlying lease agreements are listed on Schedule G. Nothing in the Schedules and Statements is or shall be construed to be an admission as to the determination of the legal status of any lease (including whether any lease is a true lease or a financing arrangement), and the Debtors reserve all rights with respect to such issues.

**Excluded Assets and Liabilities.** The Debtors have excluded certain categories of assets and liabilities from the Schedules and Statements such as goodwill, de minimis deposits, and accrued liabilities including, without limitation, tax accruals and accrued accounts payable. In



addition, the Debtors have excluded accrued salaries and employee benefits for which the Debtors have been granted authority to pay pursuant to a First Day Order or other order that may be entered by the Bankruptcy Court. Other immaterial assets and liabilities may also have been excluded.

**Undetermined Amounts.** The description of an amount as “unknown,” “TBD,” or “undetermined” is not intended to reflect upon the materiality of such amount.

**Estimates.** To close the books and records of the Debtors as of the Petition Date and to prepare such information on a legal entity basis, the Debtors were required to make estimates, allocations and assumptions that affect the reported amounts of assets and revenue and expenses as of the Petition Date. The Debtors reserve all rights to amend the reported amounts of assets, revenue and expenses to reflect changes in those estimates and assumptions.

**Totals.** All totals that are included in the Schedules represent totals of all known amounts included in the Debtors’ books and records as of the Petition Date. To the extent there are unknown or undetermined amounts, and to the extent the Debtors made post-petition payments on prepetition claims pursuant to the First Day Orders or other order of the Bankruptcy Court, the actual total may be different than the listed total.

**Classifications.** Listing a claim (a) on Schedule D as “secured,” (b) on Schedule E as “priority,” (c) on Schedule F as “unsecured priority,” or (d) listing a contract or lease on Schedule G as “executory” or “unexpired,” does not constitute an admission by the Debtors of the legal rights of the claimant, or a waiver of the Debtors’ right to recharacterize or reclassify such claim or contract.

**Claims Description.** Any failure to designate a claim on a given Debtor’s Schedules as “disputed,” “contingent,” or “unliquidated” does not constitute an admission by the Debtor that such amount is not “disputed,” “contingent” or “unliquidated.” The Debtors reserve all rights to dispute, or to assert any offsets or defenses to, any claim reflected on their respective Schedules on any grounds including, without limitation, amount, liability, validity, priority or classification, or to otherwise subsequently designate any claim as “disputed,” “contingent,” or “unliquidated.” Listing a claim does not constitute an admission of liability by the Debtors, and the Debtors reserve the right to amend the Schedules accordingly.

**Guarantees and Other Secondary Liability Claims.** The Debtors have used their best efforts to locate and identify guarantees and other secondary liability claims (collectively, the “*Guarantees*”) in their executory contracts, unexpired leases, secured financing, debt instruments, and other such agreements. The Debtors’ review of their contracts in such regard is ongoing. Where such Guarantees have been identified, they have been included in the relevant Schedule for the Debtor or Debtors affected by such Guarantees. The Debtors have placed Guarantee obligations on Schedule H for both the primary obligor and the guarantor of the relevant obligation. Such Guarantees were additionally placed on Schedule D or Schedule F for each guarantor, except to the extent that such Guarantee is associated with obligations under an executory contract or unexpired lease identified on Schedule G. Further, the Debtors believe that certain Guarantees embedded in the Debtors’ executory contracts, unexpired leases, secured financings, debt instruments, and other such agreements may have been inadvertently omitted.

Thus, the Debtors reserve their rights to amend the Schedules to the extent that additional Guarantees are identified. In addition, the Debtors reserve the right to amend the Schedules and Statements to recharacterize or reclassify any such contract, lease, claim, or Guarantee.

**Causes of Action.** The Debtors, despite their efforts, may not have listed all of their causes of action (filed or potential) against third parties as assets in the Schedules and Statements. The Debtors reserve all of their rights with respect to any causes of action they may have and neither these Global Notes nor the Schedules and Statements shall be deemed a waiver of any such causes of action.

**Schedule A – Real Property.** To the extent the Debtors have any ownership or possessory interest(s) arising by operation of any executory lease or any other contract, or otherwise, such has not been reported on Schedule A. The Debtors' failure to list any rights in real property on Schedule A should not be construed as a waiver of any such rights that may exist, whether known or unknown at this time.

**Schedule B – Personal Property.** Personal property owned by any of the Debtors is listed in the Schedule B for that individual Debtor. To the extent the Debtors have not been able to identify the actual physical location of certain personal property, the Debtors have reported the address of that individual Debtor's principal place of business.

Exclusion of certain intellectual property shall not be construed as an admission that such intellectual property rights have been abandoned, terminated, assigned, expired by their terms, or otherwise transferred pursuant to a sale, acquisition, or other transaction. Conversely, the inclusion of certain intellectual property shall not be construed to be an admission that such intellectual property rights have not been abandoned, terminated, assigned, expired by their terms, or otherwise transferred pursuant to a sale, acquisition, or other transaction.

**Schedule D – Creditors Holding Secured Claims.** Except as otherwise agreed pursuant to a stipulation and agreed order or general order entered by the Bankruptcy Court that is or becomes final, the Debtors and/or their estates reserve the right to dispute or challenge the validity, perfection or immunity from avoidance of any lien purported to be granted or perfected in any specific asset to a creditor listed on Schedule D of any Debtor. Moreover, although the Debtors may have scheduled claims of various creditors as secured claims for informational purposes, no current valuation of the Debtors' assets in which such creditors may have a lien has been undertaken.

The Debtors reserve all rights to dispute or challenge the secured nature of any such creditor's claim or the characterization of the structure of any such transaction or any document or instrument (including, without limitation, any intercompany agreement) related to such creditor's claim. In certain instances, a Debtor may be a co-obligor or guarantor with respect to scheduled claims of other Debtors, and no claim set forth on Schedule D of any Debtor is intended to acknowledge claims of creditors that are otherwise satisfied or discharged by other entities. The descriptions in Schedule D are intended only to be a summary. Reference to the applicable loan agreements and related documents and a determination of the creditors' compliance with applicable law is necessary for a complete description of the collateral and the nature, extent and priority of any liens. Nothing in the Global Notes or the Schedules and

Statements shall be deemed a modification or interpretation of the terms of such agreements or related documents.

The claims listed on Schedule D arose or were incurred on various dates and a determination of each date upon which each claim arose or was incurred would be unduly burdensome and cost prohibitive. Accordingly, not all such dates are included for each claim. All claims listed on Schedule D, however, appear to have arisen or to have been incurred prior to the Petition Date.

Real property lessors, utility companies, and other parties that may hold security deposits have not been listed on Schedule D. The Debtors have not included on Schedule D parties that may believe their claims are secured through setoff rights, deposit posted by, or on behalf of, the Debtors, or inchoate statutory liens rights.

Under the Interim Order Under Sections 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e) and 507 of the Bankruptcy Code and Bankruptcy Rules 2002, 4001 and 9014: (I) Authorizing Debtors to Obtain Postpetition Financing; (II) Authorizing Debtors to Use Cash Collateral; (III) Granting Adequate Protection to Prepetition Secured Parties; and (IV) Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001(b) and (c), entered on October 20, 2010, the Debtors obtained interim approval of up to \$18 million of the aggregate \$75 million in debtor-in-possession financing. That amount is not reflected in the Schedules, as the Schedules reflect amounts incurred as of the Petition Date.

**Schedule E – Creditors Holding Unsecured Priority Claims.** Listing a claim on Schedule E as “unsecured priority” does not constitute an admission by the Debtors of the legal rights of the claimant. The Debtors hereby expressly reserve the right to assert that any claim listed on Schedule E, including but not limited to claims in excess of \$11,725 (as applicable), does not constitute an unsecured priority claim under section 507 of the Bankruptcy Code and thus constitutes an unsecured nonpriority claim.

By interim order dated October 20, 2010, the Bankruptcy Court granted the Debtors interim authority to pay or honor certain prepetition obligations for employee wages, salaries, bonuses and other compensation, reimbursable employee expenses and employee medical and similar benefits. The Debtors have not listed on Schedule E any wage or wage-related obligations for which the Debtors have been granted authority to pay pursuant to a First Day Order or other order that may be entered by the Bankruptcy Court. The Debtors believe that all such claims have been or will be satisfied in the ordinary course during their chapter 11 cases pursuant to the authority granted in the relevant First Day Order or other order that may be entered by the Bankruptcy Court.

The claims listed on Schedule E arose or were incurred on various dates and a determination of each date upon which each claim arose or was incurred would be unduly burdensome and cost prohibitive. Accordingly, not all such dates are included for each claim. All claims listed on Schedule E, however, appear to have arisen or to have been incurred prior to the Petition Date.

**Schedule F – Creditors Holding Unsecured Nonpriority Claims.** Listing a claim on Schedule F as “unsecured nonpriority” does not constitute an admission by the Debtors of any legal rights of the claimant. The Debtors hereby expressly reserve the right to assert that any claim listed on Schedule F does not constitute an unsecured nonpriority claim (including the right to assert that any such claim constitutes a secured or priority claim). Additionally, noting that a claim on Schedule F is “subject to setoff” does not constitute an admission by the Debtor of the legal rights of the claimant. The Debtors hereby expressly reserve the right to assert that any claim listed on Schedule F is not subject to setoff or dispute any claim to such setoff.

The Debtors have attempted to relate all liabilities to each Debtor. However, due to the related nature of the Debtors’ businesses, debts of one Debtor may be inadvertently listed on the Schedules of another. Readers of the Schedules should review all of the Debtors’ Schedules for a complete understanding of the unsecured debts of the Debtors.

The Debtors may have certain rights of setoff and/or recoupment with respect to the claims set forth on Schedule F. The Debtors reserve all rights to challenge such setoff and/or recoupment rights asserted. Additionally, certain creditors may assert mechanic’s, materialman’s or other similar liens against the Debtors for amounts listed on Schedule F. The Debtors reserve their right to dispute or challenge the validity, perfection or immunity from avoidance of any lien purported to be perfected by a creditor listed on Schedule F.

Schedule F does not include certain deferred charges, deferred liabilities, accruals or general reserves. Such amounts are, however, reflected on the Debtors’ books and records as required in accordance with GAAP. Such accruals are general estimates of liabilities and do not represent specific claims as of the Petition Date.

The claims listed on Schedule F arose or were incurred on various dates and a determination of each date upon which each claim arose or was incurred would be unduly burdensome and cost prohibitive. Accordingly, not all such dates are included for each claim. All claims listed on Schedule F, however, appear to have arisen or to have been incurred prior to the Petition Date.

**Schedule G – Executory Contracts and Unexpired Leases.** Although reasonable efforts have been made to ensure the accuracy of Schedule G regarding executory contracts and unexpired leases, the Debtors’ review is ongoing and inadvertent errors, omissions, or over-inclusion may have occurred.

Any and all of the Debtors’ rights, claims, and causes of action with respect to the contracts, agreements, and leases listed on Schedule G are hereby reserved and preserved, and, as such, the Debtors hereby reserve all of their rights to dispute the validity, status, or enforceability of any contracts, agreements, or leases set forth on Schedule G and to amend or supplement such Schedule as necessary.

The placing of a contract or lease onto Schedule G shall not be deemed an admission that such contract is an executory contract or unexpired lease, or that it is necessarily a binding, valid and enforceable contract. The Debtors hereby expressly reserve the right to assert that any claim

listed on Schedule G does not constitute an executory contract within the meaning of section 365 of the Bankruptcy Code.

The Debtors may have entered into various other types of agreements in the ordinary course of their business, such as indemnity agreements, supplemental agreements, amendments/letter agreements, and confidentiality agreements. Such documents may not be set forth in Schedule G. Moreover, the contracts, agreements, and leases listed on Schedule G may have expired or may have been modified, amended, or supplemented from time to time by various amendments, restatements, waivers, estoppels certificates, letters, or other documents, instruments, and agreements that may not be listed on Schedule G. Portions of some contracts and leases that are listed on Schedule G may have been fully performed, while other portions of the same contracts and leases may remain executory or unexpired.

Certain of the contracts, agreements, and leases listed on Schedule G may contain renewal options, guarantees of payments, options to purchase, rights of first refusal, rights to lease additional space and other miscellaneous rights. Such rights, powers, duties and obligations may not be set forth on Schedule G.

Certain of the agreements listed on Schedule G may be in the nature of conditional sales agreements or secured financings. The presence of these agreements or any other agreements on Schedule G does not constitute an admission that any such agreement is an executory contract or unexpired lease.

The Debtors reserve all of their rights, claims and causes of action with respect to the contracts and agreements listed on Schedule G, including the right to dispute or challenge the characterization or the structure of any transaction, document, or instrument. Certain executory agreements may not have been memorialized in writing and could be subject to dispute. Generally, executory agreements that are oral in nature have not been included in the Schedule. Further, the Debtors may be parties to various other agreements concerning real property, such as easements, rights of way, subordination, non-disturbance, supplemental agreements, amendments/letter agreements, title documents, consents, site plans, maps and other miscellaneous agreements. Such agreements, if any, are not set forth in Schedule G.

The Debtors have attempted to list the appropriate Debtor parties to each contract, agreement, and lease on Schedule G. However, there may be instances in which other Debtor entities that are not parties to the contracts, agreements, and leases have been the primary entities conducting business in connection with these contracts, agreements, and leases. Accordingly, the Debtors have listed certain contracts, agreements, and leases on Schedule G of the Debtor entity corresponding to the applicable contracting entity on which may, upon further review, differ from the primary entity conducting business with the counterparty to that particular contract, agreement, or lease. Additionally, certain of the contracts, agreements, and leases listed on Schedule G may have been entered into by more than one of the Debtors.

**Schedule H – Co-Obligors.** Although the Debtors have made every effort to ensure the accuracy of Schedule H, inadvertent errors, omissions or inclusion may have occurred. The Debtors hereby reserve all rights to dispute the validity, status or enforceability of any

obligations set forth on Schedule H and to further amend or supplement such Schedule as necessary.

The Debtors further reserve all rights, claims and causes of action with respect to the obligations listed on Schedule H, including the right to dispute or challenge the characterization or the structure of any transaction, document or instrument related to a creditor's claim. The listing of a contract, guarantee or other obligation on Schedule H shall not be deemed an admission that such obligation is binding, valid or enforceable.

**Statements Question 2 – Other Income.** From time to time, the Debtors may have de minimis income from sources other than the operation of business that is not provided in response to Statement Question 2.

**Statements Question 3(b) and (c) – Payments to Creditors.** All amounts that remain outstanding to any creditor listed on Statement Question 3 are reflected on Schedules D, E, and F as applicable. Any creditor wishing to verify any outstanding indebtedness should review those schedules.

Certain intercompany transactions are accounted for through transfers of cash to and from appropriate bank accounts in and out of the Debtors' cash management system after certain adjustments are made to intercompany accounts receivable and accounts payable among the Debtor and its Debtor and non-Debtor affiliates. These payments and transactions have not been listed. However, readers of the Schedules and Statements wishing to verify any outstanding Intercompany Payables and Intercompany Receivables should refer to Schedules B16, D or F, as applicable.

The Debtor's response includes payments made to such creditors who are or were insiders only to the extent such payments were made during the time in which the creditor was an insider and only in that creditor's capacity as insider.

**Statements Question 9 – Payments Related to Debt Counseling or Bankruptcy.** All payments related to debt counseling or bankruptcy made to the Debtors' advisors are listed on the Statements of TerreStar Networks Inc. and TerreStar Networks (Canada) Inc. and represent payments made for themselves and their affiliates, except as specifically noted on the Statements.

**Statements Question 18(a) – Location of Business.** The Debtors have disclosed the address of each Debtor's main center of operations or headquarters and have not included information regarding any related ground stations, warehousing, or storage facilities, or any other site or location where a portion of a Debtor's business operations are conducted.

**Statements Question 19(d) – Books, Records, and Financial Statements.** Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, TerreStar Corporation, the non-Debtor ultimate parent company of the Debtors, has filed with the U.S. Securities and Exchange Commission (the "**SEC**") reports on Form 8-K, Form 10-Q, and Form 10-K. These SEC filings contain consolidated financial information relating to the Debtors. Additionally, consolidated financial information for the Debtors is posted on the company's website at [www.terrestar.com](http://www.terrestar.com). Because the SEC filings and the website are of public record, the Debtors do

not maintain records of the parties that requested or obtained copies of any of the SEC filings from the SEC or the Debtors.

In addition, the Debtors provide certain parties, such as banks, auditors, potential investors, vendors and financial advisors financial statements that may not be part of a public filing. The Debtors do not maintain complete lists to track such disclosures. As such, the Debtors have not provided lists of these parties in response to this question.

**Statements Question 23 – Distributions to an Insider.** Certain intercompany transactions are accounted for through transfers of cash to and from appropriate bank accounts in and out of the Debtors' cash management system after certain adjustments are made to intercompany accounts receivable and accounts payable among the Debtor and its Debtor and non-Debtor affiliates. These payments and transactions have not been listed. However, readers of the Schedules and Statements wishing to verify any outstanding Intercompany Payables and Intercompany Receivables should refer to Schedules B16, D or F, as applicable.

The Debtor's response includes payments made to such creditors who are or were insiders only to the extent such payments were made during the time in which the creditor was an insider and only in that creditor's capacity as insider.

**United States Bankruptcy Court**  
**Southern District of New York**

In re **TerreStar Networks (Canada) Inc.**,  
 Debtor

Case No. **10-15449 (SHL)**

Chapter **11**

**SUMMARY OF SCHEDULES**

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from Schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts of all claims from Schedules D, E, and F to determine the total amount of the debtor's liabilities. Individual debtors must also complete the "Statistical Summary of Certain Liabilities and Related Data" if they file a case under chapter 7, 11, or 13.

NAME OF SCHEDULE	ATTACHED (YES/NO)	NO. OF SHEETS	ASSETS	LIABILITIES	OTHER
A - Real Property	<b>Yes</b>	<b>1</b>	<b>0.00</b>		
B - Personal Property	<b>Yes</b>	<b>4</b>	<b>510,395,954.02</b>		
C - Property Claimed as Exempt	<b>No</b>	<b>0</b>			
D - Creditors Holding Secured Claims	<b>Yes</b>	<b>1</b>		<b>953,398,399.00</b>	
E - Creditors Holding Unsecured Priority Claims (Total of Claims on Schedule E)	<b>Yes</b>	<b>1</b>		<b>0.00</b>	
F - Creditors Holding Unsecured Nonpriority Claims	<b>Yes</b>	<b>2</b>		<b>820,479.22</b>	
G - Executory Contracts and Unexpired Leases	<b>Yes</b>	<b>3</b>			
H - Codebtors	<b>Yes</b>	<b>1</b>			
I - Current Income of Individual Debtor(s)	<b>No</b>	<b>0</b>			<b>N/A</b>
J - Current Expenditures of Individual Debtor(s)	<b>No</b>	<b>0</b>			<b>N/A</b>
Total Number of Sheets of ALL Schedules		<b>13</b>			
Total Assets			<b>510,395,954.02</b>		
Total Liabilities				<b>954,218,878.22</b>	



In re **TerreStar Networks (Canada) Inc.**Case No. **10-15449 (SHL)**

Debtor

**SCHEDULE A - REAL PROPERTY**

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a cotenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor's own benefit. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor holds no interest in real property, write "None" under "Description and Location of Property."

**Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.**

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write "None" in the column labeled "Amount of Secured Claim." If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C - Property Claimed as Exempt.

Description and Location of Property	Nature of Debtor's Interest in Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption	Amount of Secured Claim
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None

Sub-Total >	<b>0.00</b>	(Total of this page)
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Total >	<b>0.00</b>
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(Report also on Summary of Schedules)

0 continuation sheets attached to the Schedule of Real Property

In re **TerreStar Networks (Canada) Inc.**Case No. **10-15449 (SHL)**

Debtor

**SCHEDULE B - PERSONAL PROPERTY**

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more of the categories, place an "x" in the appropriate position in the column labeled "None." If additional space is needed in any category, attach a separate sheet properly identified with the case name, case number, and the number of the category. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor is an individual or a joint petition is filed, state the amount of any exemptions claimed only in Schedule C - Property Claimed as Exempt.

**Do not list interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.**

If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property." If the property is being held for a minor child, simply state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m).

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
1. Cash on hand	X			
2. Checking, savings or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives.		<b>TD Canada Trust Attn: Jennifer Lipton 55 King Street West, Toronto Ontario, Canada M5K 1A2 Demand Deposit Account No. XXXXXXXX9637</b>	-	<b>234,646.19</b>
		<b>TD Canada Trust Attn: Jennifer Lipton 55 King Street West, Toronto Ontario, Canada M5K 1A2 Demand Deposit Account No. XXXXXXXX6155</b>	-	<b>198,582.35</b>
		<b>SunTrust Bank Attn: Linda Jameson 8330 Boone Boulevard, 7th Floor Vienna, VA 22182 Demand Deposit Account No.:XXXXXXXX8869</b>	-	<b>0.00</b>
		<b>Royal Bank of Canada Attn: Enza Baldino 1 Place Ville-Marie Montreal, Quebec Canada H3C 3B5 Demand Deposit Account No.:XXX-679-9</b>	-	<b>45,997.96</b>
		<b>Royal Bank of Canada Attn: Enza Baldino 1 Place Ville-Marie Montreal, Quebec Canada H3C 3B5 Demand Deposit Account No.:XXX-494-1</b>	-	<b>142.54</b>

Sub-Total > **479,369.04**  
(Total of this page)

3 continuation sheets attached to the Schedule of Personal Property

In re **TerreStar Networks (Canada) Inc.**Case No. **10-15449 (SHL)**

Debtor

## SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
3. Security deposits with public utilities, telephone companies, landlords, and others.	<b>X</b>			
4. Household goods and furnishings, including audio, video, and computer equipment.	<b>X</b>			
5. Books, pictures and other art objects, antiques, stamp, coin, record, tape, compact disc, and other collections or collectibles.	<b>X</b>			
6. Wearing apparel.	<b>X</b>			
7. Furs and jewelry.	<b>X</b>			
8. Firearms and sports, photographic, and other hobby equipment.	<b>X</b>			
9. Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each.		<b>Directors and Officers Insurance Policy Encon Group Inc. Policy No. EIM-PV-0699 Term: 04/12/10 to 04/12/11</b>	<b>-</b>	<b>Unknown</b>
10. Annuities. Itemize and name each issuer.	<b>X</b>			
11. Interests in an education IRA as defined in 26 U.S.C. § 530(b)(1) or under a qualified State tuition plan as defined in 26 U.S.C. § 529(b)(1). Give particulars. (File separately the record(s) of any such interest(s). 11 U.S.C. § 521(c).)	<b>X</b>			
12. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Give particulars.	<b>X</b>			
13. Stock and interests in incorporated and unincorporated businesses. Itemize.	<b>X</b>			
14. Interests in partnerships or joint ventures. Itemize.	<b>X</b>			
15. Government and corporate bonds and other negotiable and nonnegotiable instruments.	<b>X</b>			

Sub-Total > **0.00**  
(Total of this page)

Sheet **1** of **3** continuation sheets attached  
to the Schedule of Personal Property

In re **TerreStar Networks (Canada) Inc.**Case No. **10-15449 (SHL)**

Debtor

## SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
16. Accounts receivable.		<b>Intercompany Receivable - TerreStar Networks Inc.</b>	-	<b>43,497.00</b>
17. Alimony, maintenance, support, and property settlements to which the debtor is or may be entitled. Give particulars.	<b>X</b>			
18. Other liquidated debts owed to debtor including tax refunds. Give particulars.	<b>X</b>			
19. Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule A - Real Property.	<b>X</b>			
20. Contingent and noncontingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust.	<b>X</b>			
21. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.	<b>X</b>			
22. Patents, copyrights, and other intellectual property. Give particulars.	<b>X</b>			
23. Licenses, franchises, and other general intangibles. Give particulars.		<b>Spectrum Licence to Provide Mobile Satellite Services in Canada via the TerreStar-1 Satellite using 2005 - 2010 MHz Uplink and 2195-2200 MHz Downlink Industry Canada file # 624125-5</b>	-	<b>Unknown</b>
		<b>Licence Radio Authorizations for 2GHz Spectrum / Ku and Extended KU Band Industry Canada file #624125-5</b>	-	<b>Unknown</b>
		<b>Amended and Restated Intellectual Property License Agreement for the use of Terrestar Networks Inc.'s IP and Marks</b>	-	<b>Unknown</b>
		<b>Registration of the Satellite Terrastar-1 at the International Telecommunication Union</b>	-	<b>Unknown</b>

Sub-Total > **43,497.00**  
(Total of this page)

Sheet 2 of 3 continuation sheets attached  
to the Schedule of Personal Property

In re **TerreStar Networks (Canada) Inc.**Case No. **10-15449 (SHL)**

Debtor

## SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
24. Customer lists or other compilations containing personally identifiable information (as defined in 11 U.S.C. § 101(41A)) provided to the debtor by individuals in connection with obtaining a product or service from the debtor primarily for personal, family, or household purposes.	<b>X</b>			
25. Automobiles, trucks, trailers, and other vehicles and accessories.	<b>X</b>			
26. Boats, motors, and accessories.	<b>X</b>			
27. Aircraft and accessories.	<b>X</b>			
28. Office equipment, furnishings, and supplies.		<b>Office Furniture and Computer Equipment</b>	-	<b>22,623.79</b>
29. Machinery, fixtures, equipment, and supplies used in business.		<b>Satellite Terrestar-1 Located in the current orbital position at 111.00 West Longitude in Space</b>	-	<b>509,002,753.27</b>
		<b>Terrestrial Network (Toronto POP) Located in Toronto, Canada</b>	-	<b>815,994.21</b>
30. Inventory.	<b>X</b>			
31. Animals.	<b>X</b>			
32. Crops - growing or harvested. Give particulars.	<b>X</b>			
33. Farming equipment and implements.	<b>X</b>			
34. Farm supplies, chemicals, and feed.	<b>X</b>			
35. Other personal property of any kind not already listed. Itemize.		<b>Leasehold Improvements</b>	-	<b>31,716.71</b>

Sub-Total > **509,873,087.98**  
(Total of this page)

Total > **510,395,954.02**

(Report also on Summary of Schedules)

Sheet **3** of **3** continuation sheets attached  
to the Schedule of Personal Property

In re **TerreStar Networks (Canada) Inc.**Case No. **10-15449 (SHL)**

Debtor

**SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS**

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is a creditor, the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor", include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H", "W", "J", or "C" in the column labeled "Husband, Wife, Joint, or Community".

If the claim is contingent, place an "X" in the column labeled "Contingent". If the claim is unliquidated, place an "X" in the column labeled "Unliquidated". If the claim is disputed, place an "X" in the column labeled "Disputed". (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion" on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	H U S B A N D W I F E J O I N T C O M M U N I T Y	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
Account No.			<b>Credit Facility</b>					
<b>TerreStar Networks Inc.</b> <b>12010 Sunset Hills Road</b> <b>Reston, VA 20190</b>		-	<b>Intercompany Credit Agreement</b> <b>Collateral: Security interest in all assets</b>			X		
			Value \$ <b>Unknown</b>				<b>9,043,430.00</b>	<b>Unknown</b>
Account No.			<b>02/14/07 and 02/07/08</b>					
<b>U.S. Bank National Association</b> <b>as trustee</b> <b>60 Livingston Ave</b> <b>Saint Paul, MN 55107-2292</b>		X -	<b>Guaranty - Senior Secured Notes</b> <b>Collateral: Security interest in all assets</b> <b>listed in Security Agreement</b>					
			Value \$ <b>Unknown</b>				<b>944,354,969.00</b>	<b>Unknown</b>
Account No.								
			Value \$					
Account No.								
			Value \$					
Subtotal (Total of this page)							<b>953,398,399.00</b>	<b>0.00</b>
Total (Report on Summary of Schedules)							<b>953,398,399.00</b>	<b>0.00</b>

0 continuation sheets attached

In re **TerreStar Networks (Canada) Inc.**Case No. **10-15449 (SHL)**

Debtor

**SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS**

A complete list of claims entitled to priority, listed separately by type of priority, is to be set forth on the sheets provided. Only holders of unsecured claims entitled to priority should be listed in this schedule. In the boxes provided on the attached sheets, state the name, mailing address, including zip code, and last four digits of the account number, if any, of all entities holding priority claims against the debtor or the property of the debtor, as of the date of the filing of the petition. Use a separate continuation sheet for each type of priority and label each with the type of priority.

The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m).

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H-Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of claims listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all claims listed on this Schedule E in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules.

Report the total of amounts entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Report the total of amounts not entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts not entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

☒ Check this box if debtor has no creditors holding unsecured priority claims to report on this Schedule E.

**TYPES OF PRIORITY CLAIMS** (Check the appropriate box(es) below if claims in that category are listed on the attached sheets)☐ **Domestic support obligations**

Claims for domestic support that are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such a child, or a governmental unit to whom such a domestic support claim has been assigned to the extent provided in 11 U.S.C. § 507(a)(1).

☐ **Extensions of credit in an involuntary case**

Claims arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee or the order for relief. 11 U.S.C. § 507(a)(3).

☐ **Wages, salaries, and commissions**

Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$11,725\* per person earned within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(4).

☐ **Contributions to employee benefit plans**

Money owed to employee benefit plans for services rendered within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(5).

☐ **Certain farmers and fishermen**

Claims of certain farmers and fishermen, up to \$5,775\* per farmer or fisherman, against the debtor, as provided in 11 U.S.C. § 507(a)(6).

☐ **Deposits by individuals**

Claims of individuals up to \$2,600\* for deposits for the purchase, lease, or rental of property or services for personal, family, or household use, that were not delivered or provided. 11 U.S.C. § 507(a)(7).

☐ **Taxes and certain other debts owed to governmental units**

Taxes, customs duties, and penalties owing to federal, state, and local governmental units as set forth in 11 U.S.C. § 507(a)(8).

☐ **Commitments to maintain the capital of an insured depository institution**

Claims based on commitments to the FDIC, RTC, Director of the Office of Thrift Supervision, Comptroller of the Currency, or Board of Governors of the Federal Reserve System, or their predecessors or successors, to maintain the capital of an insured depository institution. 11 U.S.C. § 507(a)(9).

☐ **Claims for death or personal injury while debtor was intoxicated**

Claims for death or personal injury resulting from the operation of a motor vehicle or vessel while the debtor was intoxicated from using alcohol, a drug, or another substance. 11 U.S.C. § 507(a)(10).

\* Amount subject to adjustment on 4/01/13, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

In re **TerreStar Networks (Canada) Inc.**Case No. **10-15449 (SHL)**

Debtor(s)

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding unsecured claims without priority against the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns).

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding secured claims to report on this Schedule F.

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	H W J C	Husband, Wife, Joint, or Community	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
			DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.				
ACCOUNT NO.							
<b>ANDRE TREMBLAY</b> <b>1035 LAURIER AVE, SUITE 200</b> <b>MONTREAL, QUEBEC H2V 2L1</b> <b>CANADA</b>			<b>Employment Agreement</b>	<b>X</b>	<b>X</b>		<b>Unknown</b>
ACCOUNT NO.							
<b>JACQUES LEDUC</b> <b>1035 LAURIER AVE, SUITE 200</b> <b>MONTREAL, QUEBEC H2V 2L1</b> <b>CANADA</b>			<b>Employment Agreement</b>	<b>X</b>	<b>X</b>		<b>Unknown</b>



Debtor(s)

## SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER <i>(See instructions above.)</i>	C O D E B T O R	H W J C	Husband, Wife, Joint , or Community  DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM
ACCOUNT NO.							
TELESAT CANADA ATTN: DIRECTOR, INT'L MKTG, SALES & CONT 1601 TELESAT COURT OTTAWA, ONTARIO K1B5P4 CANADA			Trade Payable		X		Unknown
ACCOUNT NO.							
TERRESTAR NETWORKS INC. 12010 SUNSET HILLS ROAD RESTON, VA 20190			Intercompany Payable			X	167,611.24
ACCOUNT NO.							
TERRESTAR SOLUTIONS INC. 12010 SUNSET HILLS ROAD RESTON, VA 20190			Intercompany Payable  Cost Sharing Agreement			X	652,867.98*
Total (Use only on last page of the completed Schedule F.) (Report also on Summary of Schedules and, if applicable, on the Statistical Summary of Certain Liabilities and Related Data.)							820,479.22

**\*This amount does not take into account setoffs under Quebec law.**

In re **TerreStar Networks (Canada) Inc.**Case No. **10-15449 (SHL)**

Debtor

**SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Describe all executory contracts of any nature and all unexpired leases of real or personal property. Include any timeshare interests. State nature of debtor's interest in contract, i.e., "Purchaser", "Agent", etc. State whether debtor is the lessor or lessee of a lease. Provide the names and complete mailing addresses of all other parties to each lease or contract described. If a minor child is a party to one of the leases or contracts, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

☐ Check this box if debtor has no executory contracts or unexpired leases.

Name and Mailing Address, Including Zip Code, of Other Parties to Lease or Contract	Description of Contract or Lease and Nature of Debtor's Interest. State whether lease is for nonresidential real property. State contract number of any government contract.
<b>3390853 Canada Inc. Attn: Michel Paquette, 697 6E Rang St-Felix-De-Kingsey, Quebec J0B 2T0</b>	<b>Consulting Agreement</b>
<b>4120345 Canada Inc. Attn: Emile Saine 1045 Laurier Ouest Montreal, Quebec H2V 2L1</b>	<b>Leases - Non-Residential Realty</b>
<b>9157-9268 Quebec Inc. Attn: Guy Vallieres 3601 Rue Sainte-Famille, Ste 1207 Montreal, Quebec H2X 2L6</b>	<b>Consulting Agreement</b>
<b>Andre Tremblay 1035 Laurier Ave, Suite 200 Montreal, Quebec H2V 2L1 Canada</b>	<b>Employment Agreement</b>
<b>Encon Group, Inc. 500-1400 Blair Place Ottawa, On K1J 9B8 Canada</b>	<b>Insurance Policy</b>
<b>Equinix Canada Inc. Attn: John Butler Postal Station A - Lb# To7866C P.O. Box 7866, Toronto, Ontario M5W 2R2</b>	<b>Service Agreement</b>
<b>Going Consulting Attn: Tony Going Suite 2604, 38 Metropole Private Ottawa, Ontario K1Z 1E9</b>	<b>Consulting Agreement</b>
<b>Goldfenix Communications Attn: Vicki Ollers</b>	<b>Consulting Agreement</b>
<b>Jacques Leduc 1035 Laurier Ave, Suite 200 Montreal, Quebec H2V 2L1 Canada</b>	<b>Employment Agreement</b>

In re **TerreStar Networks (Canada) Inc.**Case No. **10-15449 (SHL)**

Debtor

**SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

(Continuation Sheet)

Name and Mailing Address, Including Zip Code, of Other Parties to Lease or Contract	Description of Contract or Lease and Nature of Debtor's Interest. State whether lease is for nonresidential real property. State contract number of any government contract.
<b>Jan Skora Consulting Services Inc.</b> <b>Attn: Jan Skora</b> <b>1145 Ambleside Drive</b> <b>Ottawa, Ontario K2B 8E2</b>	<b>Consulting Agreement</b>
<b>Jocelyn Cote</b> <b>1035 Laurier Ave, Suite 200</b> <b>Montreal, Quebec H2V 2L1</b> <b>Canada</b>	<b>Consulting Agreement</b>
<b>Kevin Hughes</b> <b>1035 Laurier Ave, Suite 200</b> <b>Montreal, Quebec H2V 2L1</b> <b>Canada</b>	<b>Consulting Agreement</b>
<b>Liaise Administrative Services</b> <b>Attn: Sue Husolo</b> <b>153 Withrow Avenue</b> <b>Toronto, Ontario</b> <b>M4K 1C8</b>	<b>Consulting Agreement</b>
<b>Mikael Eliaeson</b> <b>1035 Laurier Ave, Suite 200</b> <b>Montreal, Quebec H2V 2L1</b> <b>Canada</b>	<b>Consulting Agreement</b>
<b>Moventis Conseils Inc.</b> <b>Attn: Sophie Pelletier</b> <b>281, Rue Des Laurier</b> <b>Bromont, Quebec</b> <b>J2L 0H5</b>	<b>Consulting Agreement</b>
<b>Nokia Siemens Networks Canada Inc.</b> <b>Attn: Joe Hoerl</b> <b>#B9345, Po Box 9100, Station F</b> <b>Toronto, Ontario</b> <b>M4Y 3A5</b>	<b>Service Agreement</b>
<b>Telesat Canada</b> <b>Attn: Director, Int'L Mktg, Sales &amp; Contracts</b> <b>1601 Telesat Court</b> <b>Ottawa, Ontario</b> <b>K1B5P4</b>	<b>Satellite Operational Services Agreement and Consulting</b>
<b>Terrestar Networks Inc.</b> <b>12010 Sunset Hills Road, 6th Floor</b> <b>Reston, VA 20190</b>	<b>IP License Agreement</b>
<b>Terrestar Networks Inc.</b> <b>12010 Sunset Hills Road, 6th Floor</b> <b>Reston, VA 20190</b>	<b>Indefeasible Right of Use</b>

In re **TerreStar Networks (Canada) Inc.**Case No. **10-15449 (SHL)**

Debtor

**SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

(Continuation Sheet)

Name and Mailing Address, Including Zip Code, of Other Parties to Lease or Contract	Description of Contract or Lease and Nature of Debtor's Interest. State whether lease is for nonresidential real property. State contract number of any government contract.
<b>Terrestar Networks Inc. 12010 Sunset Hills Road, 6th Floor Reston, VA 20190</b>	<b>Rights and services agreement</b>
<b>Terrestar Solutions Inc. Attn: Jocelyn Cote 1035 Laurier Ave,Suite 200 Montreal, Quebec H2V 2L1 Canada</b>	<b>Wholesale Satellite Capacity Agreement</b>
<b>Terrestar Solutions Inc. Attn: Andre Ouellet 1035 Laurier Ave,Suite 200 Montreal, Quebec H2V 2L1 Canada</b>	<b>Cost-Sharing Arrangement</b>

In re **TerreStar Networks (Canada) Inc.**Case No. **10-15449 (SHL)**

Debtor

**SCHEDULE H - CODEBTORS**

Provide the information requested concerning any person or entity, other than a spouse in a joint case, that is also liable on any debts listed by debtor in the schedules of creditors. Include all guarantors and co-signers. If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within the eight year period immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state, commonwealth, or territory. Include all names used by the nondebtor spouse during the eight years immediately preceding the commencement of this case. If a minor child is a codebtor or a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

☐ Check this box if debtor has no codebtors.

NAME AND ADDRESS OF CODEBTOR	NAME AND ADDRESS OF CREDITOR
<b>TerreStar License Inc.</b> <b>12010 Sunset Hills Road</b> <b>6th Floor</b> <b>Reston, VA 20190</b>	<b>U.S. Bank National Association</b> <b>as trustee</b> <b>60 Livingston Ave</b> <b>Saint Paul, MN 55107-2292</b> <b>Guaranty - Senior Secured Notes</b>
<b>TerreStar National Services Inc.</b> <b>11951 Freedom Drive</b> <b>13th Floor</b> <b>Reston, VA 20190</b>	<b>U.S. Bank National Association</b> <b>as trustee</b> <b>60 Livingston Ave</b> <b>Saint Paul, MN 55107-2292</b> <b>Guaranty - Senior Secured Notes</b>
<b>TerreStar Networks Holdings</b> <b>(Canada) Inc.</b> <b>1035 Ave. Laurier West, 2nd Floor</b> <b>Outremont, Canada, QC-H2V-2L1</b>	<b>U.S. Bank National Association</b> <b>as trustee</b> <b>60 Livingston Ave</b> <b>Saint Paul, MN 55107-2292</b> <b>Guaranty - Senior Secured Notes</b>
<b>TerreStar Networks Inc.</b> <b>12010 Sunset Hills Road</b> <b>6th Floor</b> <b>Reston, VA 20190</b>	<b>U.S. Bank National Association</b> <b>as trustee</b> <b>60 Livingston Ave</b> <b>Saint Paul, MN 55107-2292</b> <b>Senior Secured Notes</b>

**United States Bankruptcy Court  
Southern District of New York**In re **TerreStar Networks (Canada) Inc.**

Debtor(s)

Case No. **10-15449 (SHL)**Chapter **11****DECLARATION CONCERNING DEBTOR'S SCHEDULES**

## DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I, the Chief Financial Officer and Treasurer of the corporation named as debtor in this case, declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of **14** sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Date **November 8, 2010**Signature /s/ Jacques Leduc**Jacques Leduc****Chief Financial Officer and Treasurer**

*Penalty for making a false statement or concealing property:* Fine of up to \$500,000 or imprisonment for up to 5 years or both.  
18 U.S.C. §§ 152 and 3571.

## **Schedule “B”**

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New York, New York 10036  
(212) 872-1000 (Telephone)  
(212) 872-1002 (Facsimile)  
Ira S. Dizengoff  
Arik Preis  
Ashleigh L. Blaylock

*Proposed Counsel to the Debtors and Debtors in Possession*

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

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

**GLOBAL NOTES AND STATEMENT OF LIMITATIONS,  
METHODS AND DISCLAIMER REGARDING DEBTORS' SCHEDULES  
OF ASSETS AND LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS**

The above-captioned debtors and debtors in possession (collectively, the “*Debtors*”) are filing their respective Schedules of Assets and Liabilities (the “*Schedules*”) and Statements of Financial Affairs (the “*Statements*” and, with the Schedules, the “*Schedules and Statements*”) in the United States Bankruptcy Court for the Southern District of New York (the “*Bankruptcy Court*”). The Debtors, with the assistance of their advisors, prepared the Schedules and Statements in accordance with section 521 of title 11 of the United States Code (the “*Bankruptcy Code*”) and Rule 1007 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”).

These Global Notes and Statements of Limitations, Methods and Disclaimer Regarding the Debtors’ Schedules of Assets and Liabilities and Statements of Financial Affairs (collectively, the “*Global Notes*”) pertain to, are incorporated by reference in, and comprise an integral part of,

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



all the Schedules and Statements. These Global Notes should be referred to and reviewed in connection with any review of the Schedules and Statements.<sup>2</sup>

The Schedules and Statements have been prepared by the Debtors' management and are unaudited and subject to further review and potential revision. In preparing the Schedules and Statements, the Debtors relied on financial data derived from their books and records as were available at the time of preparation. The Debtors' management and advisors have made reasonable efforts to ensure that they are as accurate and complete as possible under the circumstances based on information that was available to them at the time of preparation; however, subsequent information or discovery may result in material changes to the Schedules and Statements and inadvertent errors or omissions may exist, notwithstanding any such discovery or new information, however the Debtor shall not be required to update the Schedules and Statements.

**Global Notes Control.** In the event that the Schedules and Statements differ from the Global Notes, the Global Notes shall control.

**Reservation of Rights.** Nothing contained in the Schedules and Statements or these Global Notes shall constitute a waiver of any of the Debtors' rights or an admission with respect to their chapter 11 cases including, but not limited to, any issues involving objections to claims, substantive consolidation, equitable subordination, defenses, characterization or recharacterization of contracts, assumption or rejection of contracts under the provisions of Bankruptcy Code chapter 3 and/or causes of action arising under the provisions of Bankruptcy Code chapter 5 or any other relevant applicable laws to recover assets or avoid transfers.

**Description of the Case and "as of" Information Date.** On October 19, 2010 (the "*Petition Date*"), each of the Debtors filed a petition for relief with the Bankruptcy Court under Bankruptcy Code chapter 11. The Debtors continue to operate their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. On October 20, 2010, the Bankruptcy Court entered an order jointly administering these cases pursuant to Bankruptcy Rule 1015(b). On October 29, 2010, the United States Trustee for the Southern District of New York (the "*U.S. Trustee*") appointed a statutory committee of unsecured creditors pursuant to section 1102(a)(1) of the Bankruptcy Code (the "*Committee*").

Unless specifically noted otherwise, all asset values are as of September 30, 2010, and all other amounts listed in the Schedules and Statements are as of the Petition Date.

**Corporate Structure.** A description of the Debtors' corporate structure is set forth in the Declaration of Jeffrey W. Epstein, Chief Executive Officer of TerreStar Networks Inc., in Support of First Day Pleadings, which was filed on the Petition Date.

**Amendment.** Although reasonable efforts were made to file complete and accurate Schedules and Statements, inadvertent errors or omissions may exist. Thus, the Debtors reserve

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<sup>2</sup> These Global Notes are in addition to any specific notes contained in each Debtor's Schedules or Statements. The fact that the Debtors have prepared a Global Note with respect to any of the Schedules and Statements and not to others should not be interpreted as a decision by the Debtors to exclude the applicability of such Global Note to any of the Debtors' remaining Schedules and Statements, as appropriate.

all rights to amend or supplement their Schedules and Statements from time to time as may be necessary or appropriate.

**Basis of Presentation.** For financial reporting purposes, the Debtors and certain of their non-debtor affiliates historically prepare consolidated financial statements. Unlike the consolidated financial statements, the Schedules and Statements, except where otherwise indicated, reflect the assets and liabilities of each Debtor on a non-consolidated basis. Accordingly, the totals listed in the Schedules and Statements will likely differ, at times materially, from the consolidated financial reports prepared by the Debtors for financial reporting purposes or otherwise.

Although these Schedules and Statements may, at times, incorporate information prepared in accordance with generally accepted accounting principles (“GAAP”), the Schedules and Statements neither purport to represent nor reconcile financial statements otherwise prepared and/or distributed by the Debtors in accordance with GAAP or otherwise. To the extent that a Debtor shows more assets than liabilities, this is not an admission that the Debtor was solvent at the Petition Date or at any time prior to the Petition Date. Likewise, to the extent that a Debtor shows more liabilities than assets, this is not an admission that the Debtor was insolvent at the Petition Date or at any time prior to the Petition Date.

**Consolidated Accounts Payable and Disbursements System.** The Debtors utilize consolidated accounts payable and disbursement systems in their day-to-day operations, the effect of which, in part, is that certain accounts payable and or payment detail is not readily available on a legal entity basis. Although efforts have been made to attribute open payable amounts to the correct legal entity, the Debtors reserve their right to modify or amend the Schedules and Statements to attribute such payable to a different legal entity, if appropriate. Payments made are listed by the entity making such payment notwithstanding that many such payments may have been made on behalf of another entity.

**Confidentiality.** There may be instances within the Schedules and Statements where names, addresses, or amounts have been left blank. Due to concerns of confidentiality, or concerns for privacy of an individual, the Debtors may have deemed it appropriate and necessary to avoid listing such names, addresses, and amounts. To the extent that certain addresses are withheld, the Debtors will make such address available upon reasonable request and agreement to enter into an appropriate confidentiality arrangement.

**Intercompany Claims and Transfers.** Receivables and payables among the Debtors in these cases (each an “*Intercompany Receivable*” or “*Intercompany Payable*”) are reported in the Schedules. To the extent a Debtor owes an Intercompany Payable, it is reported on Schedule F as a claim of such Debtor. To the extent a Debtor has an Intercompany Receivable, it is reported on Schedule B16 as an asset of such Debtor. While the Debtors have used reasonable efforts to ensure that the proper intercompany balances are attributed to each legal entity, all rights to amend these items on the Schedules and Statements are reserved.

Intercompany transfers can be characterized in many ways. The Debtors reserve all of their rights with respect to the intercompany balances listed in the analysis, including, but not

limited to, the appropriate characterization of such intercompany balances and the amounts of such balances, which are still being identified by the Debtors.

The Debtors have listed all Intercompany Payables as unsecured non-priority claims on Schedule F for each applicable Debtor but reserve their rights, except as otherwise may be agreed to pursuant to a stipulation filed with the Bankruptcy Court, to later change the characterization, classification, categorization or designation of such claims, including by designating all or any portion of the amounts listed as secured.

**Insiders.** For purposes of the Schedules and Statements, the Debtors define “insiders” pursuant to Bankruptcy Code section 101(31) as (a) directors, (b) officers, (c) those in control of the Debtors, (d) relatives of directors, officers, or persons in control of the Debtors, and (e) affiliates, or insiders of affiliates. Inter-company payments between the Debtors are not so listed.

Persons listed as “insiders” have been included for informational purposes only. The Debtors do not take any position with respect to (a) such person’s influence over the control of the Debtors, (b) the management responsibilities or functions of such individual, (c) the decision-making or corporate authority of such individual or (d) whether such individual could successfully argue that he or she is not an “insider” under applicable law, including, without limitation, the federal securities laws, or with respect to any theories of liability or for any other purpose.

**Recharacterization.** The Debtors have made reasonable efforts to characterize, classify, categorize, or designate the claims, assets, executory contracts, unexpired leases and other items reported in the Schedules and Statements correctly. The Debtors reserve all rights to recharacterize, reclassify, recategorize, or redesignate items reported in the Schedules and Statements at a later time as is necessary or appropriate as additional information becomes available, including, without limitation, whether contracts listed herein were executory as of the Petition Date or remain executory postpetition and whether leases listed herein were unexpired as of the Petition Date or remain unexpired postpetition.

**Consolidation of Certain Information.** Information that is provided on a consolidated basis is specifically indicated in the applicable Schedules and Statements. The listing of information on a consolidated basis is not, and should not be interpreted as, an admission or view as to the appropriateness of substantive consolidation. The Debtors reserve all rights to amend or supplement their Schedules and Statements that reflect information on a consolidated basis to present such information on an unconsolidated basis as is necessary and appropriate.

#### **Summary of Significant Reporting Policies.**

- a) **Foreign Currency.** All amounts shown in the Schedules are in U.S. Dollars, which in some cases reflects a conversion based on foreign exchange rates as of September 30, 2010.
- b) **Current Market Value – Net Book Value.** In many instances, current market valuations are neither maintained by nor readily available to the Debtors. It would be prohibitively expensive and unduly burdensome to obtain current market valuations of the Debtors’ property interests that are not maintained or

readily available. Accordingly, unless otherwise indicated, the Schedules and Statements reflect the net book values as of September 30, 2010, rather than current market values, of the Debtors' assets as of the Petition Date and may not reflect the net realizable value. For this reason, amounts ultimately realized will vary, at some times materially, from net book value. Additionally, the amount of certain liabilities may be "unknown" or "undetermined" and thus, ultimate liabilities may differ materially from those states in the Schedules and Statements.

- c) **Liabilities.** Unless otherwise indicated, all liabilities are listed as of October 19, 2010.
- d) **Paid Claims.** Pursuant to certain first-day and second-day orders issued by the Bankruptcy Court (collectively, the "***First Day Orders***"), the Bankruptcy Court has authorized the Debtors to pay certain outstanding prepetition claims, such as certain employee wages and benefits claims, claims for taxes and fees, and utility claims. Although not all claims previously paid pursuant to a First Day Order will be listed in the Schedules and Statements, certain of these claims that have been paid may appear in the Schedules and Statements. Regardless of whether such claims are listed in the Schedules and Statements, to the extent that such claims are paid pursuant to an order of the Bankruptcy Court (including the First Day Orders), the Debtors reserve all rights to amend or supplement their Schedules and Statements as necessary and appropriate. Certain of the First Day Orders preserve the rights of parties in interest to dispute any amounts paid pursuant to First Day Orders. Nothing herein shall be deemed to alter the rights of any party in interest to contest a payment made pursuant to a First Day Order that preserves such right to contest.
- e) **Credits and Adjustments.** The claims of individual creditors for, among other things, goods, products or services or taxes are listed as the amounts entered on the Debtors' books and records and may not reflect credits, allowances or other adjustments due from such creditors to the Debtors. The Debtors reserve all of their rights with regard to such credits, allowances and other adjustments, including the right to assert claims objections and/or setoffs with respect to the same.
- f) **Leases.** In the ordinary course of business, certain of the Debtors may lease property and equipment from third party lessors for use in the daily operation of their businesses. The Debtors' obligations pursuant to the same have been listed on Schedule F. The underlying lease agreements are listed on Schedule G. Nothing in the Schedules and Statements is or shall be construed to be an admission as to the determination of the legal status of any lease (including whether any lease is a true lease or a financing arrangement), and the Debtors reserve all rights with respect to such issues.

**Excluded Assets and Liabilities.** The Debtors have excluded certain categories of assets and liabilities from the Schedules and Statements such as goodwill, de minimis deposits, and accrued liabilities including, without limitation, tax accruals and accrued accounts payable. In

addition, the Debtors have excluded accrued salaries and employee benefits for which the Debtors have been granted authority to pay pursuant to a First Day Order or other order that may be entered by the Bankruptcy Court. Other immaterial assets and liabilities may also have been excluded.

**Undetermined Amounts.** The description of an amount as “unknown,” “TBD,” or “undetermined” is not intended to reflect upon the materiality of such amount.

**Estimates.** To close the books and records of the Debtors as of the Petition Date and to prepare such information on a legal entity basis, the Debtors were required to make estimates, allocations and assumptions that affect the reported amounts of assets and revenue and expenses as of the Petition Date. The Debtors reserve all rights to amend the reported amounts of assets, revenue and expenses to reflect changes in those estimates and assumptions.

**Totals.** All totals that are included in the Schedules represent totals of all known amounts included in the Debtors’ books and records as of the Petition Date. To the extent there are unknown or undetermined amounts, and to the extent the Debtors made post-petition payments on prepetition claims pursuant to the First Day Orders or other order of the Bankruptcy Court, the actual total may be different than the listed total.

**Classifications.** Listing a claim (a) on Schedule D as “secured,” (b) on Schedule E as “priority,” (c) on Schedule F as “unsecured priority,” or (d) listing a contract or lease on Schedule G as “executory” or “unexpired,” does not constitute an admission by the Debtors of the legal rights of the claimant, or a waiver of the Debtors’ right to recharacterize or reclassify such claim or contract.

**Claims Description.** Any failure to designate a claim on a given Debtor’s Schedules as “disputed,” “contingent,” or “unliquidated” does not constitute an admission by the Debtor that such amount is not “disputed,” “contingent” or “unliquidated.” The Debtors reserve all rights to dispute, or to assert any offsets or defenses to, any claim reflected on their respective Schedules on any grounds including, without limitation, amount, liability, validity, priority or classification, or to otherwise subsequently designate any claim as “disputed,” “contingent,” or “unliquidated.” Listing a claim does not constitute an admission of liability by the Debtors, and the Debtors reserve the right to amend the Schedules accordingly.

**Guarantees and Other Secondary Liability Claims.** The Debtors have used their best efforts to locate and identify guarantees and other secondary liability claims (collectively, the “*Guarantees*”) in their executory contracts, unexpired leases, secured financing, debt instruments, and other such agreements. The Debtors’ review of their contracts in such regard is ongoing. Where such Guarantees have been identified, they have been included in the relevant Schedule for the Debtor or Debtors affected by such Guarantees. The Debtors have placed Guarantee obligations on Schedule H for both the primary obligor and the guarantor of the relevant obligation. Such Guarantees were additionally placed on Schedule D or Schedule F for each guarantor, except to the extent that such Guarantee is associated with obligations under an executory contract or unexpired lease identified on Schedule G. Further, the Debtors believe that certain Guarantees embedded in the Debtors’ executory contracts, unexpired leases, secured financings, debt instruments, and other such agreements may have been inadvertently omitted.

Thus, the Debtors reserve their rights to amend the Schedules to the extent that additional Guarantees are identified. In addition, the Debtors reserve the right to amend the Schedules and Statements to recharacterize or reclassify any such contract, lease, claim, or Guarantee.

**Causes of Action.** The Debtors, despite their efforts, may not have listed all of their causes of action (filed or potential) against third parties as assets in the Schedules and Statements. The Debtors reserve all of their rights with respect to any causes of action they may have and neither these Global Notes nor the Schedules and Statements shall be deemed a waiver of any such causes of action.

**Schedule A – Real Property.** To the extent the Debtors have any ownership or possessory interest(s) arising by operation of any executory lease or any other contract, or otherwise, such has not been reported on Schedule A. The Debtors' failure to list any rights in real property on Schedule A should not be construed as a waiver of any such rights that may exist, whether known or unknown at this time.

**Schedule B – Personal Property.** Personal property owned by any of the Debtors is listed in the Schedule B for that individual Debtor. To the extent the Debtors have not been able to identify the actual physical location of certain personal property, the Debtors have reported the address of that individual Debtor's principal place of business.

Exclusion of certain intellectual property shall not be construed as an admission that such intellectual property rights have been abandoned, terminated, assigned, expired by their terms, or otherwise transferred pursuant to a sale, acquisition, or other transaction. Conversely, the inclusion of certain intellectual property shall not be construed to be an admission that such intellectual property rights have not been abandoned, terminated, assigned, expired by their terms, or otherwise transferred pursuant to a sale, acquisition, or other transaction.

**Schedule D – Creditors Holding Secured Claims.** Except as otherwise agreed pursuant to a stipulation and agreed order or general order entered by the Bankruptcy Court that is or becomes final, the Debtors and/or their estates reserve the right to dispute or challenge the validity, perfection or immunity from avoidance of any lien purported to be granted or perfected in any specific asset to a creditor listed on Schedule D of any Debtor. Moreover, although the Debtors may have scheduled claims of various creditors as secured claims for informational purposes, no current valuation of the Debtors' assets in which such creditors may have a lien has been undertaken.

The Debtors reserve all rights to dispute or challenge the secured nature of any such creditor's claim or the characterization of the structure of any such transaction or any document or instrument (including, without limitation, any intercompany agreement) related to such creditor's claim. In certain instances, a Debtor may be a co-obligor or guarantor with respect to scheduled claims of other Debtors, and no claim set forth on Schedule D of any Debtor is intended to acknowledge claims of creditors that are otherwise satisfied or discharged by other entities. The descriptions in Schedule D are intended only to be a summary. Reference to the applicable loan agreements and related documents and a determination of the creditors' compliance with applicable law is necessary for a complete description of the collateral and the nature, extent and priority of any liens. Nothing in the Global Notes or the Schedules and

Statements shall be deemed a modification or interpretation of the terms of such agreements or related documents.

The claims listed on Schedule D arose or were incurred on various dates and a determination of each date upon which each claim arose or was incurred would be unduly burdensome and cost prohibitive. Accordingly, not all such dates are included for each claim. All claims listed on Schedule D, however, appear to have arisen or to have been incurred prior to the Petition Date.

Real property lessors, utility companies, and other parties that may hold security deposits have not been listed on Schedule D. The Debtors have not included on Schedule D parties that may believe their claims are secured through setoff rights, deposit posted by, or on behalf of, the Debtors, or inchoate statutory liens rights.

Under the Interim Order Under Sections 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e) and 507 of the Bankruptcy Code and Bankruptcy Rules 2002, 4001 and 9014: (I) Authorizing Debtors to Obtain Postpetition Financing; (II) Authorizing Debtors to Use Cash Collateral; (III) Granting Adequate Protection to Prepetition Secured Parties; and (IV) Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001(b) and (c), entered on October 20, 2010, the Debtors obtained interim approval of up to \$18 million of the aggregate \$75 million in debtor-in-possession financing. That amount is not reflected in the Schedules, as the Schedules reflect amounts incurred as of the Petition Date.

**Schedule E – Creditors Holding Unsecured Priority Claims.** Listing a claim on Schedule E as “unsecured priority” does not constitute an admission by the Debtors of the legal rights of the claimant. The Debtors hereby expressly reserve the right to assert that any claim listed on Schedule E, including but not limited to claims in excess of \$11,725 (as applicable), does not constitute an unsecured priority claim under section 507 of the Bankruptcy Code and thus constitutes an unsecured nonpriority claim.

By interim order dated October 20, 2010, the Bankruptcy Court granted the Debtors interim authority to pay or honor certain prepetition obligations for employee wages, salaries, bonuses and other compensation, reimbursable employee expenses and employee medical and similar benefits. The Debtors have not listed on Schedule E any wage or wage-related obligations for which the Debtors have been granted authority to pay pursuant to a First Day Order or other order that may be entered by the Bankruptcy Court. The Debtors believe that all such claims have been or will be satisfied in the ordinary course during their chapter 11 cases pursuant to the authority granted in the relevant First Day Order or other order that may be entered by the Bankruptcy Court.

The claims listed on Schedule E arose or were incurred on various dates and a determination of each date upon which each claim arose or was incurred would be unduly burdensome and cost prohibitive. Accordingly, not all such dates are included for each claim. All claims listed on Schedule E, however, appear to have arisen or to have been incurred prior to the Petition Date.

**Schedule F – Creditors Holding Unsecured Nonpriority Claims.** Listing a claim on Schedule F as “unsecured nonpriority” does not constitute an admission by the Debtors of any legal rights of the claimant. The Debtors hereby expressly reserve the right to assert that any claim listed on Schedule F does not constitute an unsecured nonpriority claim (including the right to assert that any such claim constitutes a secured or priority claim). Additionally, noting that a claim on Schedule F is “subject to setoff” does not constitute an admission by the Debtor of the legal rights of the claimant. The Debtors hereby expressly reserve the right to assert that any claim listed on Schedule F is not subject to setoff or dispute any claim to such setoff.

The Debtors have attempted to relate all liabilities to each Debtor. However, due to the related nature of the Debtors’ businesses, debts of one Debtor may be inadvertently listed on the Schedules of another. Readers of the Schedules should review all of the Debtors’ Schedules for a complete understanding of the unsecured debts of the Debtors.

The Debtors may have certain rights of setoff and/or recoupment with respect to the claims set forth on Schedule F. The Debtors reserve all rights to challenge such setoff and/or recoupment rights asserted. Additionally, certain creditors may assert mechanic’s, materialman’s or other similar liens against the Debtors for amounts listed on Schedule F. The Debtors reserve their right to dispute or challenge the validity, perfection or immunity from avoidance of any lien purported to be perfected by a creditor listed on Schedule F.

Schedule F does not include certain deferred charges, deferred liabilities, accruals or general reserves. Such amounts are, however, reflected on the Debtors’ books and records as required in accordance with GAAP. Such accruals are general estimates of liabilities and do not represent specific claims as of the Petition Date.

The claims listed on Schedule F arose or were incurred on various dates and a determination of each date upon which each claim arose or was incurred would be unduly burdensome and cost prohibitive. Accordingly, not all such dates are included for each claim. All claims listed on Schedule F, however, appear to have arisen or to have been incurred prior to the Petition Date.

**Schedule G – Executory Contracts and Unexpired Leases.** Although reasonable efforts have been made to ensure the accuracy of Schedule G regarding executory contracts and unexpired leases, the Debtors’ review is ongoing and inadvertent errors, omissions, or over-inclusion may have occurred.

Any and all of the Debtors’ rights, claims, and causes of action with respect to the contracts, agreements, and leases listed on Schedule G are hereby reserved and preserved, and, as such, the Debtors hereby reserve all of their rights to dispute the validity, status, or enforceability of any contracts, agreements, or leases set forth on Schedule G and to amend or supplement such Schedule as necessary.

The placing of a contract or lease onto Schedule G shall not be deemed an admission that such contract is an executory contract or unexpired lease, or that it is necessarily a binding, valid and enforceable contract. The Debtors hereby expressly reserve the right to assert that any claim



listed on Schedule G does not constitute an executory contract within the meaning of section 365 of the Bankruptcy Code.

The Debtors may have entered into various other types of agreements in the ordinary course of their business, such as indemnity agreements, supplemental agreements, amendments/letter agreements, and confidentiality agreements. Such documents may not be set forth in Schedule G. Moreover, the contracts, agreements, and leases listed on Schedule G may have expired or may have been modified, amended, or supplemented from time to time by various amendments, restatements, waivers, estoppels certificates, letters, or other documents, instruments, and agreements that may not be listed on Schedule G. Portions of some contracts and leases that are listed on Schedule G may have been fully performed, while other portions of the same contracts and leases may remain executory or unexpired.

Certain of the contracts, agreements, and leases listed on Schedule G may contain renewal options, guarantees of payments, options to purchase, rights of first refusal, rights to lease additional space and other miscellaneous rights. Such rights, powers, duties and obligations may not be set forth on Schedule G.

Certain of the agreements listed on Schedule G may be in the nature of conditional sales agreements or secured financings. The presence of these agreements or any other agreements on Schedule G does not constitute an admission that any such agreement is an executory contract or unexpired lease.

The Debtors reserve all of their rights, claims and causes of action with respect to the contracts and agreements listed on Schedule G, including the right to dispute or challenge the characterization or the structure of any transaction, document, or instrument. Certain executory agreements may not have been memorialized in writing and could be subject to dispute. Generally, executory agreements that are oral in nature have not been included in the Schedule. Further, the Debtors may be parties to various other agreements concerning real property, such as easements, rights of way, subordination, non-disturbance, supplemental agreements, amendments/letter agreements, title documents, consents, site plans, maps and other miscellaneous agreements. Such agreements, if any, are not set forth in Schedule G.

The Debtors have attempted to list the appropriate Debtor parties to each contract, agreement, and lease on Schedule G. However, there may be instances in which other Debtor entities that are not parties to the contracts, agreements, and leases have been the primary entities conducting business in connection with these contracts, agreements, and leases. Accordingly, the Debtors have listed certain contracts, agreements, and leases on Schedule G of the Debtor entity corresponding to the applicable contracting entity on which may, upon further review, differ from the primary entity conducting business with the counterparty to that particular contract, agreement, or lease. Additionally, certain of the contracts, agreements, and leases listed on Schedule G may have been entered into by more than one of the Debtors.

**Schedule H – Co-Obligors.** Although the Debtors have made every effort to ensure the accuracy of Schedule H, inadvertent errors, omissions or inclusion may have occurred. The Debtors hereby reserve all rights to dispute the validity, status or enforceability of any

obligations set forth on Schedule H and to further amend or supplement such Schedule as necessary.

The Debtors further reserve all rights, claims and causes of action with respect to the obligations listed on Schedule H, including the right to dispute or challenge the characterization or the structure of any transaction, document or instrument related to a creditor's claim. The listing of a contract, guarantee or other obligation on Schedule H shall not be deemed an admission that such obligation is binding, valid or enforceable.

**Statements Question 2 – Other Income.** From time to time, the Debtors may have de minimis income from sources other than the operation of business that is not provided in response to Statement Question 2.

**Statements Question 3(b) and (c) – Payments to Creditors.** All amounts that remain outstanding to any creditor listed on Statement Question 3 are reflected on Schedules D, E, and F as applicable. Any creditor wishing to verify any outstanding indebtedness should review those schedules.

Certain intercompany transactions are accounted for through transfers of cash to and from appropriate bank accounts in and out of the Debtors' cash management system after certain adjustments are made to intercompany accounts receivable and accounts payable among the Debtor and its Debtor and non-Debtor affiliates. These payments and transactions have not been listed. However, readers of the Schedules and Statements wishing to verify any outstanding Intercompany Payables and Intercompany Receivables should refer to Schedules B16, D or F, as applicable.

The Debtor's response includes payments made to such creditors who are or were insiders only to the extent such payments were made during the time in which the creditor was an insider and only in that creditor's capacity as insider.

**Statements Question 9 – Payments Related to Debt Counseling or Bankruptcy.** All payments related to debt counseling or bankruptcy made to the Debtors' advisors are listed on the Statements of TerreStar Networks Inc. and TerreStar Networks (Canada) Inc. and represent payments made for themselves and their affiliates, except as specifically noted on the Statements.

**Statements Question 18(a) – Location of Business.** The Debtors have disclosed the address of each Debtor's main center of operations or headquarters and have not included information regarding any related ground stations, warehousing, or storage facilities, or any other site or location where a portion of a Debtor's business operations are conducted.

**Statements Question 19(d) – Books, Records, and Financial Statements.** Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, TerreStar Corporation, the non-Debtor ultimate parent company of the Debtors, has filed with the U.S. Securities and Exchange Commission (the "**SEC**") reports on Form 8-K, Form 10-Q, and Form 10-K. These SEC filings contain consolidated financial information relating to the Debtors. Additionally, consolidated financial information for the Debtors is posted on the company's website at [www.terrestar.com](http://www.terrestar.com). Because the SEC filings and the website are of public record, the Debtors do

not maintain records of the parties that requested or obtained copies of any of the SEC filings from the SEC or the Debtors.

In addition, the Debtors provide certain parties, such as banks, auditors, potential investors, vendors and financial advisors financial statements that may not be part of a public filing. The Debtors do not maintain complete lists to track such disclosures. As such, the Debtors have not provided lists of these parties in response to this question.

**Statements Question 23 – Distributions to an Insider.** Certain intercompany transactions are accounted for through transfers of cash to and from appropriate bank accounts in and out of the Debtors' cash management system after certain adjustments are made to intercompany accounts receivable and accounts payable among the Debtor and its Debtor and non-Debtor affiliates. These payments and transactions have not been listed. However, readers of the Schedules and Statements wishing to verify any outstanding Intercompany Payables and Intercompany Receivables should refer to Schedules B16, D or F, as applicable.

The Debtor's response includes payments made to such creditors who are or were insiders only to the extent such payments were made during the time in which the creditor was an insider and only in that creditor's capacity as insider.

**United States Bankruptcy Court**  
**Southern District of New York**

In re **0887729 B.C. Ltd.**  
 Debtor

Case No. **10-15450 (SHL)**

Chapter **11**

**SUMMARY OF SCHEDULES**

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from Schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts of all claims from Schedules D, E, and F to determine the total amount of the debtor's liabilities. Individual debtors must also complete the "Statistical Summary of Certain Liabilities and Related Data" if they file a case under chapter 7, 11, or 13.

NAME OF SCHEDULE	ATTACHED (YES/NO)	NO. OF SHEETS	ASSETS	LIABILITIES	OTHER
A - Real Property	<b>Yes</b>	<b>1</b>	<b>0.00</b>		
B - Personal Property	<b>Yes</b>	<b>6</b>	<b>76,480,698.47</b>		
C - Property Claimed as Exempt	<b>No</b>	<b>0</b>			
D - Creditors Holding Secured Claims	<b>Yes</b>	<b>1</b>		<b>0.00</b>	
E - Creditors Holding Unsecured Priority Claims (Total of Claims on Schedule E)	<b>Yes</b>	<b>2</b>		<b>0.00</b>	
F - Creditors Holding Unsecured Nonpriority Claims	<b>Yes</b>	<b>1</b>		<b>945.00</b>	
G - Executory Contracts and Unexpired Leases	<b>Yes</b>	<b>1</b>			
H - Codebtors	<b>Yes</b>	<b>1</b>			
I - Current Income of Individual Debtor(s)	<b>No</b>	<b>0</b>			<b>N/A</b>
J - Current Expenditures of Individual Debtor(s)	<b>No</b>	<b>0</b>			<b>N/A</b>
Total Number of Sheets of ALL Schedules		<b>13</b>			
Total Assets			<b>76,480,698.47</b>		
Total Liabilities				<b>945.00</b>	

In re **0887729 B.C. Ltd.**Case No. **10-15450 (SHL)**

Debtor

**SCHEDULE A - REAL PROPERTY**

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a cotenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor's own benefit. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor holds no interest in real property, write "None" under "Description and Location of Property."

**Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.**

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write "None" in the column labeled "Amount of Secured Claim." If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C - Property Claimed as Exempt.

Description and Location of Property	Nature of Debtor's Interest in Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption	Amount of Secured Claim
Village of Dafoe Dafoe, SK, Canada S0K 1C0	Fee simple	-	Unknown	Unknown

0 continuation sheets attached to the Schedule of Real Property

Sub-Total > **0.00** (Total of this page)

Total > **0.00**

(Report also on Summary of Schedules)

In re **0887729 B.C. Ltd.**Case No. **10-15450 (SHL)**

Debtor

**SCHEDULE B - PERSONAL PROPERTY**

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more of the categories, place an "x" in the appropriate position in the column labeled "None." If additional space is needed in any category, attach a separate sheet properly identified with the case name, case number, and the number of the category. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor is an individual or a joint petition is filed, state the amount of any exemptions claimed only in Schedule C - Property Claimed as Exempt.

**Do not list interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.**

If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property." If the property is being held for a minor child, simply state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m).

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
1. Cash on hand	X			
2. Checking, savings or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives.		<b>HSBC Bank Canada Attn: Marie-Claude Antoniades 131 Queen Street Ottawa, Canada, K1P 0A1 Demand Deposit Account No.: XXX-XXXXX0-001</b>	-	<b>331.53</b>
		<b>SunTrust Bank Attn: Linda Jameson 8330 Boone Boulevard, 7th Floor Vienna, VA 22182 Demand Deposit Account No.:XXXXXXXXX8844</b>	-	<b>0.00</b>
3. Security deposits with public utilities, telephone companies, landlords, and others.	X			
4. Household goods and furnishings, including audio, video, and computer equipment.	X			
5. Books, pictures and other art objects, antiques, stamp, coin, record, tape, compact disc, and other collections or collectibles.	X			
6. Wearing apparel.	X			
7. Furs and jewelry.	X			
8. Firearms and sports, photographic, and other hobby equipment.	X			
9. Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each.		<b>See Attachment B9</b>	-	<b>Unknown</b>

Sub-Total > **331.53**  
(Total of this page)

3 continuation sheets attached to the Schedule of Personal Property

In re **0887729 B.C. Ltd.**Case No. **10-15450 (SHL)**

Debtor

## SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
10. Annuities. Itemize and name each issuer.	<b>X</b>			
11. Interests in an education IRA as defined in 26 U.S.C. § 530(b)(1) or under a qualified State tuition plan as defined in 26 U.S.C. § 529(b)(1). Give particulars. (File separately the record(s) of any such interest(s). 11 U.S.C. § 521(c).)	<b>X</b>			
12. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Give particulars.	<b>X</b>			
13. Stock and interests in incorporated and unincorporated businesses. Itemize.	<b>X</b>			
14. Interests in partnerships or joint ventures. Itemize.	<b>X</b>			
15. Government and corporate bonds and other negotiable and nonnegotiable instruments.	<b>X</b>			
16. Accounts receivable.	<b>X</b>			
17. Alimony, maintenance, support, and property settlements to which the debtor is or may be entitled. Give particulars.	<b>X</b>			
18. Other liquidated debts owed to debtor including tax refunds. Give particulars.	<b>X</b>			
19. Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule A - Real Property.	<b>X</b>			
20. Contingent and noncontingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust.	<b>X</b>			

Sub-Total > **0.00**  
(Total of this page)

Sheet 1 of 3 continuation sheets attached  
to the Schedule of Personal Property

In re **0887729 B.C. Ltd.**Case No. **10-15450 (SHL)**

Debtor

## SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
21. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.	<b>X</b>			
22. Patents, copyrights, and other intellectual property. Give particulars.	<b>X</b>			
23. Licenses, franchises, and other general intangibles. Give particulars.		<b>See Attachment B23</b>	<b>-</b>	<b>Unknown</b>
24. Customer lists or other compilations containing personally identifiable information (as defined in 11 U.S.C. § 101(41A)) provided to the debtor by individuals in connection with obtaining a product or service from the debtor primarily for personal, family, or household purposes.	<b>X</b>			
25. Automobiles, trucks, trailers, and other vehicles and accessories.	<b>X</b>			
26. Boats, motors, and accessories.	<b>X</b>			
27. Aircraft and accessories.	<b>X</b>			
28. Office equipment, furnishings, and supplies.	<b>X</b>			
29. Machinery, fixtures, equipment, and supplies used in business.		<b>151090 Satellite Gateway</b>	<b>-</b>	<b>72,897,331.50</b>
		<b>151100 Calibration Earth Station</b>	<b>-</b>	<b>3,556,619.95</b>
		<b>151030 Lab Equipment</b>	<b>-</b>	<b>26,415.49</b>
30. Inventory.	<b>X</b>			
31. Animals.	<b>X</b>			
32. Crops - growing or harvested. Give particulars.	<b>X</b>			
33. Farming equipment and implements.	<b>X</b>			
34. Farm supplies, chemicals, and feed.	<b>X</b>			

Sub-Total > **76,480,366.94**  
(Total of this page)

Sheet 2 of 3 continuation sheets attached  
to the Schedule of Personal Property



In re **0887729 B.C. Ltd.**

Case No. **10-15450 (SHL)**

Debtor

**SCHEDULE B - PERSONAL PROPERTY**  
(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
35. Other personal property of any kind not already listed. Itemize.	<b>X</b>			

**0887729 B.C. Ltd.**  
**SCHEDULES OF ASSETS AND LIABILITIES**  
**ATTACHMENT B9**

**(B9) Interests in Insurance Policies**

<b>TYPE OF POLICY AND NAME OF INSURANCE COMPANY</b>	<b>POLICY NUMBER</b>	<b>TERM</b>	<b>REFUND VALUE</b>
<b>Commercial Package - Canada</b>			
Chubb Insurance Company of Canada	35918469	04/01/10 to 04/01/11	Unknown
<b>Commercial Package - US</b>			
Great Northern	3535-34-47 BAL	04/01/10 to 04/01/11	Unknown
<b>Crime/ERISA</b>			
Federal	8208-1766	04/01/10 to 04/01/13	Unknown
<b>Directors and Officers First Layer</b>			
Ace American Insurance Company	DOX G24566717001	11/08/09 to 11/08/10	Unknown
<b>Directors and Officers Primary Layer</b>			
XL Specialty Insurance Company	ELU114568-09	11/08/09 to 11/08/10	Unknown
<b>Directors and Officers Second Layer (Side A)</b>			
National Union Fire Insurance Company of Pittsburgh, PA	01-361-36-35	11/08/09 to 11/08/10	Unknown
<b>Fiduciary Liability</b>			
Federal	8141-4446	04/01/10 to 04/01/11	Unknown
<b>Hired/Non-owned Auto</b>			
Great Northern	(10)7355-12-61	04/01/10 to 04/01/11	Unknown
<b>Umbrella</b>			
Federal	7986-95-68 BAL	04/01/10 to 04/01/11	Unknown

**0887729 B.C. Ltd.**  
**SCHEDULES OF ASSETS AND LIABILITIES**  
**ATTACHMENT B23**

**(B23) Licenses, Franchises and Other General Intangibles**

<b>DESCRIPTION AND LOCATION OF PROPERTY</b>	<b>NUMBER</b>	<b>TYPE</b>	<b>CALL SIGN</b>	<b>LATITUDE</b>	<b>LONGITUDE</b>	<b>CURRENT VALUE OF</b>
						<b>DEBTOR'S INTEREST IN PROPERTY</b>
Radio licence / Burns Lake (CES1) BC	5077422	Fixed	VD217	54 13 13 N	125 44 37 W	Unknown
Radio licence / Valleyview (CES3) AB	5077423	Fixed	VD217	55 02 50 N	117 16 15 W	Unknown
Radio licence / Dafoe (CES9) SK	5077424	Fixed	VD217	51 45 14 N	104 31 20 W	Unknown
Radio licence / Pickle Lake (CES14) ON	5077425	Fixed	VD217	51 28 44 N	090 10 24 W	Unknown
Radio licence / Madoc (CES17) ON	5077426	Fixed	VD217	44 34 27 N	077 30 42 W	Unknown
Radio licence / Allan Park (APK) ON	5077139	Fixed	VD217	44 10 30 N	080 56 10 W	Unknown

In re **0887729 B.C. Ltd.**Case No. **10-15450 (SHL)**

Debtor

**SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS**

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is a creditor, the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor" ,include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H", "W", "J", or "C" in the column labeled "Husband, Wife, Joint, or Community".

If the claim is contingent, place an "X" in the column labeled "Contingent". If the claim is unliquidated, place an "X" in the column labeled "Unliquidated". If the claim is disputed, place an "X" in the column labeled "Disputed". (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion" on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	H U S B A N D W I F E J O I N T C O M M U N I T Y	D A T E C L A I M W A S I N C U R R E D, N A T U R E O F L I E N, A N D D E S C R I P T I O N A N D V A L U E O F P R O P E R T Y S U B J E C T T O L I E N	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	A M O U N T O F C L A I M W I T H O U T D E D U C T I N G V A L U E O F C O L L A T E R A L	U N S E C U R E D P O R T I O N, I F A N Y
Account No.								
			Value \$					
Account No.								
			Value \$					
Account No.								
			Value \$					
Account No.								
			Value \$					
Subtotal (Total of this page)								
Total (Report on Summary of Schedules)							<b>0.00</b>	<b>0.00</b>

0 continuation sheets attached

In re **0887729 B.C. Ltd.**Case No. **10-15450 (SHL)**

Debtor

**SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS**

A complete list of claims entitled to priority, listed separately by type of priority, is to be set forth on the sheets provided. Only holders of unsecured claims entitled to priority should be listed in this schedule. In the boxes provided on the attached sheets, state the name, mailing address, including zip code, and last four digits of the account number, if any, of all entities holding priority claims against the debtor or the property of the debtor, as of the date of the filing of the petition. Use a separate continuation sheet for each type of priority and label each with the type of priority.

The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m).

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H-Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of claims listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all claims listed on this Schedule E in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules.

Report the total of amounts entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Report the total of amounts not entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts not entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding unsecured priority claims to report on this Schedule E.

**TYPES OF PRIORITY CLAIMS** (Check the appropriate box(es) below if claims in that category are listed on the attached sheets)☐ **Domestic support obligations**

Claims for domestic support that are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such a child, or a governmental unit to whom such a domestic support claim has been assigned to the extent provided in 11 U.S.C. § 507(a)(1).

☐ **Extensions of credit in an involuntary case**

Claims arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee or the order for relief. 11 U.S.C. § 507(a)(3).

☐ **Wages, salaries, and commissions**

Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$11,725\* per person earned within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(4).

☐ **Contributions to employee benefit plans**

Money owed to employee benefit plans for services rendered within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(5).

☐ **Certain farmers and fishermen**

Claims of certain farmers and fishermen, up to \$5,775\* per farmer or fisherman, against the debtor, as provided in 11 U.S.C. § 507(a)(6).

☐ **Deposits by individuals**

Claims of individuals up to \$2,600\* for deposits for the purchase, lease, or rental of property or services for personal, family, or household use, that were not delivered or provided. 11 U.S.C. § 507(a)(7).

☒ **Taxes and certain other debts owed to governmental units**

Taxes, customs duties, and penalties owing to federal, state, and local governmental units as set forth in 11 U.S.C. § 507(a)(8).

☐ **Commitments to maintain the capital of an insured depository institution**

Claims based on commitments to the FDIC, RTC, Director of the Office of Thrift Supervision, Comptroller of the Currency, or Board of Governors of the Federal Reserve System, or their predecessors or successors, to maintain the capital of an insured depository institution. 11 U.S.C. § 507(a)(9).

☐ **Claims for death or personal injury while debtor was intoxicated**

Claims for death or personal injury resulting from the operation of a motor vehicle or vessel while the debtor was intoxicated from using alcohol, a drug, or another substance. 11 U.S.C. § 507(a)(10).

\* Amount subject to adjustment on 4/01/13, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

In re **0887729 B.C. Ltd.**Case No. **10-15450 (SHL)**

Debtor

## SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

(Continuation Sheet)

### Taxes and Certain Other Debts Owed to Governmental Units

#### TYPE OF PRIORITY

CREDITOR'S NAME, AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions.)	C O D E B O R	H W J C	Husband, Wife, Joint, or Community  DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM	AMOUNT NOT ENTITLED TO PRIORITY, IF ANY
								AMOUNT ENTITLED TO PRIORITY
Account No.			<b>Taxes</b>					
<b>CANADA REVENUE AGENCY TAX CENTRE 4695 12TH AVE SHAWINIGAN-SUD, QC G9N 7S6 CANADA</b>		-		X	X	X	Unknown	Unknown
Account No.			<b>Taxes</b>					
<b>CANADA REVENUE AGENCY REGINA TAX SERVICES OFFICE PO BOX 557 REGINA, SK S4P 3A3 CANADA</b>		-		X	X	X	Unknown	Unknown
Account No.			<b>Taxes</b>					
<b>VILLAGE OF BURNS LAKE BOX 570 15 3RD AVENUE BURNS LAKE, BC V0J 1E0 CANADA</b>		-		X	X	X	Unknown	Unknown
Account No.			<b>Taxes</b>					
<b>VILLAGE OF DAFOE PO BOX 142 DAFOE, SK S0K 1C0 CANADA</b>		-		X	X	X	Unknown	Unknown
Account No.								

Sheet **1** of **1** continuation sheets attached to  
Schedule of Creditors Holding Unsecured Priority Claims

Subtotal  
(Total of this page)

0.00      0.00

Total  
(Report on Summary of Schedules)

0.00      0.00

In re **0887729 B.C. Ltd.**Case No. **10-15450 (SHL)**

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding unsecured claims to report on this Schedule F.

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	H U S B A N D  W I F E  J O I N T  C O M M U N I T Y	D A T E C L A I M W A S I N C U R R E D A N D C O N S I D E R A T I O N F O R C L A I M. I F C L A I M I S S U B J E C T T O S E T O F F, S O S T A T E.	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	A M O U N T O F C L A I M
Account No.			<b>Intercompany Payable</b>				<b>945.00</b>
<b>TERRESTAR CORPORATION 12010 SUNSET HILLS ROAD RESTON, VA 20190</b>		-				<b>X</b>	
Account No.							
Account No.							
Account No.							
Subtotal (Total of this page)							<b>945.00</b>
Total (Report on Summary of Schedules)							<b>945.00</b>

0 continuation sheets attached

In re **0887729 B.C. Ltd.**Case No. **10-15450 (SHL)**

Debtor

**SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Describe all executory contracts of any nature and all unexpired leases of real or personal property. Include any timeshare interests. State nature of debtor's interest in contract, i.e., "Purchaser", "Agent", etc. State whether debtor is the lessor or lessee of a lease. Provide the names and complete mailing addresses of all other parties to each lease or contract described. If a minor child is a party to one of the leases or contracts, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

☐ Check this box if debtor has no executory contracts or unexpired leases.

Name and Mailing Address, Including Zip Code, of Other Parties to Lease or Contract	Description of Contract or Lease and Nature of Debtor's Interest. State whether lease is for nonresidential real property. State contract number of any government contract.
<b>Bell Aliant Regional Communications c/o Nexacor Realty Management Inc. 87 Ontario Street West, 2nd Floor Montreal, QC H2X 1Y8 Canada</b>	<b>License Agreement</b>
<b>Bell Canada c/o Nexacor Realty Management Inc. 87 Ontario Street West, 2nd Floor Montreal, QC H2X 1Y8 Canada</b>	<b>License Agreement</b>
<b>Bell Canada 1050 Beaver Hall Hill, Suite 1600 Montreal, QC H2Z 1S4 Canada</b>	<b>Master Communications Agreement</b>
<b>Hughes Network Systems, LLC Attn: General Counsel 11717 Exploration Lane Germantown, MD 20876</b>	<b>VSAT Services Agreement</b>
<b>Telesat Canada 1601 Telesat Court Ottawa, ON K1P 1H4 Canada</b>	<b>Maintenance Agreement</b>
<b>Telesat Canada Attn: R. Schofield 1601 Telesat Court Ottawa, ON K1B 5P4 Canada</b>	<b>Service Agreement</b>
<b>TerreStar Networks Inc. Attn: VP of Contracts 12010 Sunset Hills Road, 6th Fl Reston, VA 20190</b>	<b>Service Agreement</b>
<b>The Corp. of The Village of Burns Lake Attn: Development Services PO Box 570 Burns Lake, BC VOJ 1 Canada</b>	<b>Leases - Non-Residential Realty</b>
<b>Village of DaFoe Attn: Rose Jordan, Mayor Box 142 Dafoe, SK S0K 1C0 Canada</b>	<b>O&amp;M Agreement</b>
<b>Village of Dafoe Attn: Rose Jordan, Mayor Box 142 Dafoe, SK S0K 1C0 Canada</b>	<b>Service Agreement</b>



In re      **0887729 B.C. Ltd.**

Case No.    **10-15450 (SHL)**

Debtor

SCHEDULE H - CODEBTORS

Provide the information requested concerning any person or entity, other than a spouse in a joint case, that is also liable on any debts listed by debtor in the schedules of creditors. Include all guarantors and co-signers. If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within the eight year period immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state, commonwealth, or territory. Include all names used by the nondebtor spouse during the eight years immediately preceding the commencement of this case. If a minor child is a codebtor or a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

☒ Check this box if debtor has no codebtors.

NAME AND ADDRESS OF CODEBTOR	NAME AND ADDRESS OF CREDITOR
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**United States Bankruptcy Court  
Southern District of New York**In re **0887729 B.C. Ltd.**

Debtor(s)

Case No. **10-15450 (SHL)**Chapter **11****DECLARATION CONCERNING DEBTOR'S SCHEDULES**

## DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I, the Chief Financial Officer of TerreStar Networks Inc. of the corporation named as debtor in this case, declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of **14** sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Date **November 8, 2010**Signature /s/ Vincent Loiacono**Vincent Loiacono****Chief Financial Officer of TerreStar Networks Inc.**

*Penalty for making a false statement or concealing property:* Fine of up to \$500,000 or imprisonment for up to 5 years or both.  
18 U.S.C. §§ 152 and 3571.

## **Schedule “C”**

AKIN GUMP STRAUSS HAUER & FELD LLP  
One Bryant Park  
New York, New York 10036  
(212) 872-1000 (Telephone)  
(212) 872-1002 (Facsimile)  
Ira S. Dizengoff  
Arik Preis  
Ashleigh L. Blaylock

*Proposed Counsel to the Debtors and Debtors in Possession*

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

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

**GLOBAL NOTES AND STATEMENT OF LIMITATIONS,  
METHODS AND DISCLAIMER REGARDING DEBTORS' SCHEDULES  
OF ASSETS AND LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS**

The above-captioned debtors and debtors in possession (collectively, the “*Debtors*”) are filing their respective Schedules of Assets and Liabilities (the “*Schedules*”) and Statements of Financial Affairs (the “*Statements*” and, with the Schedules, the “*Schedules and Statements*”) in the United States Bankruptcy Court for the Southern District of New York (the “*Bankruptcy Court*”). The Debtors, with the assistance of their advisors, prepared the Schedules and Statements in accordance with section 521 of title 11 of the United States Code (the “*Bankruptcy Code*”) and Rule 1007 of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”).

These Global Notes and Statements of Limitations, Methods and Disclaimer Regarding the Debtors’ Schedules of Assets and Liabilities and Statements of Financial Affairs (collectively, the “*Global Notes*”) pertain to, are incorporated by reference in, and comprise an integral part of,

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

all the Schedules and Statements. These Global Notes should be referred to and reviewed in connection with any review of the Schedules and Statements.<sup>2</sup>

The Schedules and Statements have been prepared by the Debtors' management and are unaudited and subject to further review and potential revision. In preparing the Schedules and Statements, the Debtors relied on financial data derived from their books and records as were available at the time of preparation. The Debtors' management and advisors have made reasonable efforts to ensure that they are as accurate and complete as possible under the circumstances based on information that was available to them at the time of preparation; however, subsequent information or discovery may result in material changes to the Schedules and Statements and inadvertent errors or omissions may exist, notwithstanding any such discovery or new information, however the Debtor shall not be required to update the Schedules and Statements.

**Global Notes Control.** In the event that the Schedules and Statements differ from the Global Notes, the Global Notes shall control.

**Reservation of Rights.** Nothing contained in the Schedules and Statements or these Global Notes shall constitute a waiver of any of the Debtors' rights or an admission with respect to their chapter 11 cases including, but not limited to, any issues involving objections to claims, substantive consolidation, equitable subordination, defenses, characterization or recharacterization of contracts, assumption or rejection of contracts under the provisions of Bankruptcy Code chapter 3 and/or causes of action arising under the provisions of Bankruptcy Code chapter 5 or any other relevant applicable laws to recover assets or avoid transfers.

**Description of the Case and "as of" Information Date.** On October 19, 2010 (the "*Petition Date*"), each of the Debtors filed a petition for relief with the Bankruptcy Court under Bankruptcy Code chapter 11. The Debtors continue to operate their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. On October 20, 2010, the Bankruptcy Court entered an order jointly administering these cases pursuant to Bankruptcy Rule 1015(b). On October 29, 2010, the United States Trustee for the Southern District of New York (the "*U.S. Trustee*") appointed a statutory committee of unsecured creditors pursuant to section 1102(a)(1) of the Bankruptcy Code (the "*Committee*").

Unless specifically noted otherwise, all asset values are as of September 30, 2010, and all other amounts listed in the Schedules and Statements are as of the Petition Date.

**Corporate Structure.** A description of the Debtors' corporate structure is set forth in the Declaration of Jeffrey W. Epstein, Chief Executive Officer of TerreStar Networks Inc., in Support of First Day Pleadings, which was filed on the Petition Date.

**Amendment.** Although reasonable efforts were made to file complete and accurate Schedules and Statements, inadvertent errors or omissions may exist. Thus, the Debtors reserve

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<sup>2</sup> These Global Notes are in addition to any specific notes contained in each Debtor's Schedules or Statements. The fact that the Debtors have prepared a Global Note with respect to any of the Schedules and Statements and not to others should not be interpreted as a decision by the Debtors to exclude the applicability of such Global Note to any of the Debtors' remaining Schedules and Statements, as appropriate.

all rights to amend or supplement their Schedules and Statements from time to time as may be necessary or appropriate.

**Basis of Presentation.** For financial reporting purposes, the Debtors and certain of their non-debtor affiliates historically prepare consolidated financial statements. Unlike the consolidated financial statements, the Schedules and Statements, except where otherwise indicated, reflect the assets and liabilities of each Debtor on a non-consolidated basis. Accordingly, the totals listed in the Schedules and Statements will likely differ, at times materially, from the consolidated financial reports prepared by the Debtors for financial reporting purposes or otherwise.

Although these Schedules and Statements may, at times, incorporate information prepared in accordance with generally accepted accounting principles (“GAAP”), the Schedules and Statements neither purport to represent nor reconcile financial statements otherwise prepared and/or distributed by the Debtors in accordance with GAAP or otherwise. To the extent that a Debtor shows more assets than liabilities, this is not an admission that the Debtor was solvent at the Petition Date or at any time prior to the Petition Date. Likewise, to the extent that a Debtor shows more liabilities than assets, this is not an admission that the Debtor was insolvent at the Petition Date or at any time prior to the Petition Date.

**Consolidated Accounts Payable and Disbursements System.** The Debtors utilize consolidated accounts payable and disbursement systems in their day-to-day operations, the effect of which, in part, is that certain accounts payable and or payment detail is not readily available on a legal entity basis. Although efforts have been made to attribute open payable amounts to the correct legal entity, the Debtors reserve their right to modify or amend the Schedules and Statements to attribute such payable to a different legal entity, if appropriate. Payments made are listed by the entity making such payment notwithstanding that many such payments may have been made on behalf of another entity.

**Confidentiality.** There may be instances within the Schedules and Statements where names, addresses, or amounts have been left blank. Due to concerns of confidentiality, or concerns for privacy of an individual, the Debtors may have deemed it appropriate and necessary to avoid listing such names, addresses, and amounts. To the extent that certain addresses are withheld, the Debtors will make such address available upon reasonable request and agreement to enter into an appropriate confidentiality arrangement.

**Intercompany Claims and Transfers.** Receivables and payables among the Debtors in these cases (each an “*Intercompany Receivable*” or “*Intercompany Payable*”) are reported in the Schedules. To the extent a Debtor owes an Intercompany Payable, it is reported on Schedule F as a claim of such Debtor. To the extent a Debtor has an Intercompany Receivable, it is reported on Schedule B16 as an asset of such Debtor. While the Debtors have used reasonable efforts to ensure that the proper intercompany balances are attributed to each legal entity, all rights to amend these items on the Schedules and Statements are reserved.

Intercompany transfers can be characterized in many ways. The Debtors reserve all of their rights with respect to the intercompany balances listed in the analysis, including, but not

limited to, the appropriate characterization of such intercompany balances and the amounts of such balances, which are still being identified by the Debtors.

The Debtors have listed all Intercompany Payables as unsecured non-priority claims on Schedule F for each applicable Debtor but reserve their rights, except as otherwise may be agreed to pursuant to a stipulation filed with the Bankruptcy Court, to later change the characterization, classification, categorization or designation of such claims, including by designating all or any portion of the amounts listed as secured.

**Insiders.** For purposes of the Schedules and Statements, the Debtors define “insiders” pursuant to Bankruptcy Code section 101(31) as (a) directors, (b) officers, (c) those in control of the Debtors, (d) relatives of directors, officers, or persons in control of the Debtors, and (e) affiliates, or insiders of affiliates. Inter-company payments between the Debtors are not so listed.

Persons listed as “insiders” have been included for informational purposes only. The Debtors do not take any position with respect to (a) such person’s influence over the control of the Debtors, (b) the management responsibilities or functions of such individual, (c) the decision-making or corporate authority of such individual or (d) whether such individual could successfully argue that he or she is not an “insider” under applicable law, including, without limitation, the federal securities laws, or with respect to any theories of liability or for any other purpose.

**Recharacterization.** The Debtors have made reasonable efforts to characterize, classify, categorize, or designate the claims, assets, executory contracts, unexpired leases and other items reported in the Schedules and Statements correctly. The Debtors reserve all rights to recharacterize, reclassify, recategorize, or redesignate items reported in the Schedules and Statements at a later time as is necessary or appropriate as additional information becomes available, including, without limitation, whether contracts listed herein were executory as of the Petition Date or remain executory postpetition and whether leases listed herein were unexpired as of the Petition Date or remain unexpired postpetition.

**Consolidation of Certain Information.** Information that is provided on a consolidated basis is specifically indicated in the applicable Schedules and Statements. The listing of information on a consolidated basis is not, and should not be interpreted as, an admission or view as to the appropriateness of substantive consolidation. The Debtors reserve all rights to amend or supplement their Schedules and Statements that reflect information on a consolidated basis to present such information on an unconsolidated basis as is necessary and appropriate.

#### **Summary of Significant Reporting Policies.**

- a) **Foreign Currency.** All amounts shown in the Schedules are in U.S. Dollars, which in some cases reflects a conversion based on foreign exchange rates as of September 30, 2010.
- b) **Current Market Value – Net Book Value.** In many instances, current market valuations are neither maintained by nor readily available to the Debtors. It would be prohibitively expensive and unduly burdensome to obtain current market valuations of the Debtors’ property interests that are not maintained or

readily available. Accordingly, unless otherwise indicated, the Schedules and Statements reflect the net book values as of September 30, 2010, rather than current market values, of the Debtors' assets as of the Petition Date and may not reflect the net realizable value. For this reason, amounts ultimately realized will vary, at some times materially, from net book value. Additionally, the amount of certain liabilities may be "unknown" or "undetermined" and thus, ultimate liabilities may differ materially from those states in the Schedules and Statements.

- c) **Liabilities.** Unless otherwise indicated, all liabilities are listed as of October 19, 2010.
- d) **Paid Claims.** Pursuant to certain first-day and second-day orders issued by the Bankruptcy Court (collectively, the "***First Day Orders***"), the Bankruptcy Court has authorized the Debtors to pay certain outstanding prepetition claims, such as certain employee wages and benefits claims, claims for taxes and fees, and utility claims. Although not all claims previously paid pursuant to a First Day Order will be listed in the Schedules and Statements, certain of these claims that have been paid may appear in the Schedules and Statements. Regardless of whether such claims are listed in the Schedules and Statements, to the extent that such claims are paid pursuant to an order of the Bankruptcy Court (including the First Day Orders), the Debtors reserve all rights to amend or supplement their Schedules and Statements as necessary and appropriate. Certain of the First Day Orders preserve the rights of parties in interest to dispute any amounts paid pursuant to First Day Orders. Nothing herein shall be deemed to alter the rights of any party in interest to contest a payment made pursuant to a First Day Order that preserves such right to contest.
- e) **Credits and Adjustments.** The claims of individual creditors for, among other things, goods, products or services or taxes are listed as the amounts entered on the Debtors' books and records and may not reflect credits, allowances or other adjustments due from such creditors to the Debtors. The Debtors reserve all of their rights with regard to such credits, allowances and other adjustments, including the right to assert claims objections and/or setoffs with respect to the same.
- f) **Leases.** In the ordinary course of business, certain of the Debtors may lease property and equipment from third party lessors for use in the daily operation of their businesses. The Debtors' obligations pursuant to the same have been listed on Schedule F. The underlying lease agreements are listed on Schedule G. Nothing in the Schedules and Statements is or shall be construed to be an admission as to the determination of the legal status of any lease (including whether any lease is a true lease or a financing arrangement), and the Debtors reserve all rights with respect to such issues.

**Excluded Assets and Liabilities.** The Debtors have excluded certain categories of assets and liabilities from the Schedules and Statements such as goodwill, de minimis deposits, and accrued liabilities including, without limitation, tax accruals and accrued accounts payable. In



addition, the Debtors have excluded accrued salaries and employee benefits for which the Debtors have been granted authority to pay pursuant to a First Day Order or other order that may be entered by the Bankruptcy Court. Other immaterial assets and liabilities may also have been excluded.

**Undetermined Amounts.** The description of an amount as “unknown,” “TBD,” or “undetermined” is not intended to reflect upon the materiality of such amount.

**Estimates.** To close the books and records of the Debtors as of the Petition Date and to prepare such information on a legal entity basis, the Debtors were required to make estimates, allocations and assumptions that affect the reported amounts of assets and revenue and expenses as of the Petition Date. The Debtors reserve all rights to amend the reported amounts of assets, revenue and expenses to reflect changes in those estimates and assumptions.

**Totals.** All totals that are included in the Schedules represent totals of all known amounts included in the Debtors’ books and records as of the Petition Date. To the extent there are unknown or undetermined amounts, and to the extent the Debtors made post-petition payments on prepetition claims pursuant to the First Day Orders or other order of the Bankruptcy Court, the actual total may be different than the listed total.

**Classifications.** Listing a claim (a) on Schedule D as “secured,” (b) on Schedule E as “priority,” (c) on Schedule F as “unsecured priority,” or (d) listing a contract or lease on Schedule G as “executory” or “unexpired,” does not constitute an admission by the Debtors of the legal rights of the claimant, or a waiver of the Debtors’ right to recharacterize or reclassify such claim or contract.

**Claims Description.** Any failure to designate a claim on a given Debtor’s Schedules as “disputed,” “contingent,” or “unliquidated” does not constitute an admission by the Debtor that such amount is not “disputed,” “contingent” or “unliquidated.” The Debtors reserve all rights to dispute, or to assert any offsets or defenses to, any claim reflected on their respective Schedules on any grounds including, without limitation, amount, liability, validity, priority or classification, or to otherwise subsequently designate any claim as “disputed,” “contingent,” or “unliquidated.” Listing a claim does not constitute an admission of liability by the Debtors, and the Debtors reserve the right to amend the Schedules accordingly.

**Guarantees and Other Secondary Liability Claims.** The Debtors have used their best efforts to locate and identify guarantees and other secondary liability claims (collectively, the “*Guarantees*”) in their executory contracts, unexpired leases, secured financing, debt instruments, and other such agreements. The Debtors’ review of their contracts in such regard is ongoing. Where such Guarantees have been identified, they have been included in the relevant Schedule for the Debtor or Debtors affected by such Guarantees. The Debtors have placed Guarantee obligations on Schedule H for both the primary obligor and the guarantor of the relevant obligation. Such Guarantees were additionally placed on Schedule D or Schedule F for each guarantor, except to the extent that such Guarantee is associated with obligations under an executory contract or unexpired lease identified on Schedule G. Further, the Debtors believe that certain Guarantees embedded in the Debtors’ executory contracts, unexpired leases, secured financings, debt instruments, and other such agreements may have been inadvertently omitted.

Thus, the Debtors reserve their rights to amend the Schedules to the extent that additional Guarantees are identified. In addition, the Debtors reserve the right to amend the Schedules and Statements to recharacterize or reclassify any such contract, lease, claim, or Guarantee.

**Causes of Action.** The Debtors, despite their efforts, may not have listed all of their causes of action (filed or potential) against third parties as assets in the Schedules and Statements. The Debtors reserve all of their rights with respect to any causes of action they may have and neither these Global Notes nor the Schedules and Statements shall be deemed a waiver of any such causes of action.

**Schedule A – Real Property.** To the extent the Debtors have any ownership or possessory interest(s) arising by operation of any executory lease or any other contract, or otherwise, such has not been reported on Schedule A. The Debtors' failure to list any rights in real property on Schedule A should not be construed as a waiver of any such rights that may exist, whether known or unknown at this time.

**Schedule B – Personal Property.** Personal property owned by any of the Debtors is listed in the Schedule B for that individual Debtor. To the extent the Debtors have not been able to identify the actual physical location of certain personal property, the Debtors have reported the address of that individual Debtor's principal place of business.

Exclusion of certain intellectual property shall not be construed as an admission that such intellectual property rights have been abandoned, terminated, assigned, expired by their terms, or otherwise transferred pursuant to a sale, acquisition, or other transaction. Conversely, the inclusion of certain intellectual property shall not be construed to be an admission that such intellectual property rights have not been abandoned, terminated, assigned, expired by their terms, or otherwise transferred pursuant to a sale, acquisition, or other transaction.

**Schedule D – Creditors Holding Secured Claims.** Except as otherwise agreed pursuant to a stipulation and agreed order or general order entered by the Bankruptcy Court that is or becomes final, the Debtors and/or their estates reserve the right to dispute or challenge the validity, perfection or immunity from avoidance of any lien purported to be granted or perfected in any specific asset to a creditor listed on Schedule D of any Debtor. Moreover, although the Debtors may have scheduled claims of various creditors as secured claims for informational purposes, no current valuation of the Debtors' assets in which such creditors may have a lien has been undertaken.

The Debtors reserve all rights to dispute or challenge the secured nature of any such creditor's claim or the characterization of the structure of any such transaction or any document or instrument (including, without limitation, any intercompany agreement) related to such creditor's claim. In certain instances, a Debtor may be a co-obligor or guarantor with respect to scheduled claims of other Debtors, and no claim set forth on Schedule D of any Debtor is intended to acknowledge claims of creditors that are otherwise satisfied or discharged by other entities. The descriptions in Schedule D are intended only to be a summary. Reference to the applicable loan agreements and related documents and a determination of the creditors' compliance with applicable law is necessary for a complete description of the collateral and the nature, extent and priority of any liens. Nothing in the Global Notes or the Schedules and

Statements shall be deemed a modification or interpretation of the terms of such agreements or related documents.

The claims listed on Schedule D arose or were incurred on various dates and a determination of each date upon which each claim arose or was incurred would be unduly burdensome and cost prohibitive. Accordingly, not all such dates are included for each claim. All claims listed on Schedule D, however, appear to have arisen or to have been incurred prior to the Petition Date.

Real property lessors, utility companies, and other parties that may hold security deposits have not been listed on Schedule D. The Debtors have not included on Schedule D parties that may believe their claims are secured through setoff rights, deposit posted by, or on behalf of, the Debtors, or inchoate statutory liens rights.

Under the Interim Order Under Sections 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e) and 507 of the Bankruptcy Code and Bankruptcy Rules 2002, 4001 and 9014: (I) Authorizing Debtors to Obtain Postpetition Financing; (II) Authorizing Debtors to Use Cash Collateral; (III) Granting Adequate Protection to Prepetition Secured Parties; and (IV) Scheduling a Final Hearing Pursuant to Bankruptcy Rules 4001(b) and (c), entered on October 20, 2010, the Debtors obtained interim approval of up to \$18 million of the aggregate \$75 million in debtor-in-possession financing. That amount is not reflected in the Schedules, as the Schedules reflect amounts incurred as of the Petition Date.

**Schedule E – Creditors Holding Unsecured Priority Claims.** Listing a claim on Schedule E as “unsecured priority” does not constitute an admission by the Debtors of the legal rights of the claimant. The Debtors hereby expressly reserve the right to assert that any claim listed on Schedule E, including but not limited to claims in excess of \$11,725 (as applicable), does not constitute an unsecured priority claim under section 507 of the Bankruptcy Code and thus constitutes an unsecured nonpriority claim.

By interim order dated October 20, 2010, the Bankruptcy Court granted the Debtors interim authority to pay or honor certain prepetition obligations for employee wages, salaries, bonuses and other compensation, reimbursable employee expenses and employee medical and similar benefits. The Debtors have not listed on Schedule E any wage or wage-related obligations for which the Debtors have been granted authority to pay pursuant to a First Day Order or other order that may be entered by the Bankruptcy Court. The Debtors believe that all such claims have been or will be satisfied in the ordinary course during their chapter 11 cases pursuant to the authority granted in the relevant First Day Order or other order that may be entered by the Bankruptcy Court.

The claims listed on Schedule E arose or were incurred on various dates and a determination of each date upon which each claim arose or was incurred would be unduly burdensome and cost prohibitive. Accordingly, not all such dates are included for each claim. All claims listed on Schedule E, however, appear to have arisen or to have been incurred prior to the Petition Date.

**Schedule F – Creditors Holding Unsecured Nonpriority Claims.** Listing a claim on Schedule F as “unsecured nonpriority” does not constitute an admission by the Debtors of any legal rights of the claimant. The Debtors hereby expressly reserve the right to assert that any claim listed on Schedule F does not constitute an unsecured nonpriority claim (including the right to assert that any such claim constitutes a secured or priority claim). Additionally, noting that a claim on Schedule F is “subject to setoff” does not constitute an admission by the Debtor of the legal rights of the claimant. The Debtors hereby expressly reserve the right to assert that any claim listed on Schedule F is not subject to setoff or dispute any claim to such setoff.

The Debtors have attempted to relate all liabilities to each Debtor. However, due to the related nature of the Debtors’ businesses, debts of one Debtor may be inadvertently listed on the Schedules of another. Readers of the Schedules should review all of the Debtors’ Schedules for a complete understanding of the unsecured debts of the Debtors.

The Debtors may have certain rights of setoff and/or recoupment with respect to the claims set forth on Schedule F. The Debtors reserve all rights to challenge such setoff and/or recoupment rights asserted. Additionally, certain creditors may assert mechanic’s, materialman’s or other similar liens against the Debtors for amounts listed on Schedule F. The Debtors reserve their right to dispute or challenge the validity, perfection or immunity from avoidance of any lien purported to be perfected by a creditor listed on Schedule F.

Schedule F does not include certain deferred charges, deferred liabilities, accruals or general reserves. Such amounts are, however, reflected on the Debtors’ books and records as required in accordance with GAAP. Such accruals are general estimates of liabilities and do not represent specific claims as of the Petition Date.

The claims listed on Schedule F arose or were incurred on various dates and a determination of each date upon which each claim arose or was incurred would be unduly burdensome and cost prohibitive. Accordingly, not all such dates are included for each claim. All claims listed on Schedule F, however, appear to have arisen or to have been incurred prior to the Petition Date.

**Schedule G – Executory Contracts and Unexpired Leases.** Although reasonable efforts have been made to ensure the accuracy of Schedule G regarding executory contracts and unexpired leases, the Debtors’ review is ongoing and inadvertent errors, omissions, or over-inclusion may have occurred.

Any and all of the Debtors’ rights, claims, and causes of action with respect to the contracts, agreements, and leases listed on Schedule G are hereby reserved and preserved, and, as such, the Debtors hereby reserve all of their rights to dispute the validity, status, or enforceability of any contracts, agreements, or leases set forth on Schedule G and to amend or supplement such Schedule as necessary.

The placing of a contract or lease onto Schedule G shall not be deemed an admission that such contract is an executory contract or unexpired lease, or that it is necessarily a binding, valid and enforceable contract. The Debtors hereby expressly reserve the right to assert that any claim

listed on Schedule G does not constitute an executory contract within the meaning of section 365 of the Bankruptcy Code.

The Debtors may have entered into various other types of agreements in the ordinary course of their business, such as indemnity agreements, supplemental agreements, amendments/letter agreements, and confidentiality agreements. Such documents may not be set forth in Schedule G. Moreover, the contracts, agreements, and leases listed on Schedule G may have expired or may have been modified, amended, or supplemented from time to time by various amendments, restatements, waivers, estoppels certificates, letters, or other documents, instruments, and agreements that may not be listed on Schedule G. Portions of some contracts and leases that are listed on Schedule G may have been fully performed, while other portions of the same contracts and leases may remain executory or unexpired.

Certain of the contracts, agreements, and leases listed on Schedule G may contain renewal options, guarantees of payments, options to purchase, rights of first refusal, rights to lease additional space and other miscellaneous rights. Such rights, powers, duties and obligations may not be set forth on Schedule G.

Certain of the agreements listed on Schedule G may be in the nature of conditional sales agreements or secured financings. The presence of these agreements or any other agreements on Schedule G does not constitute an admission that any such agreement is an executory contract or unexpired lease.

The Debtors reserve all of their rights, claims and causes of action with respect to the contracts and agreements listed on Schedule G, including the right to dispute or challenge the characterization or the structure of any transaction, document, or instrument. Certain executory agreements may not have been memorialized in writing and could be subject to dispute. Generally, executory agreements that are oral in nature have not been included in the Schedule. Further, the Debtors may be parties to various other agreements concerning real property, such as easements, rights of way, subordination, non-disturbance, supplemental agreements, amendments/letter agreements, title documents, consents, site plans, maps and other miscellaneous agreements. Such agreements, if any, are not set forth in Schedule G.

The Debtors have attempted to list the appropriate Debtor parties to each contract, agreement, and lease on Schedule G. However, there may be instances in which other Debtor entities that are not parties to the contracts, agreements, and leases have been the primary entities conducting business in connection with these contracts, agreements, and leases. Accordingly, the Debtors have listed certain contracts, agreements, and leases on Schedule G of the Debtor entity corresponding to the applicable contracting entity on which may, upon further review, differ from the primary entity conducting business with the counterparty to that particular contract, agreement, or lease. Additionally, certain of the contracts, agreements, and leases listed on Schedule G may have been entered into by more than one of the Debtors.

**Schedule H – Co-Obligors.** Although the Debtors have made every effort to ensure the accuracy of Schedule H, inadvertent errors, omissions or inclusion may have occurred. The Debtors hereby reserve all rights to dispute the validity, status or enforceability of any

obligations set forth on Schedule H and to further amend or supplement such Schedule as necessary.

The Debtors further reserve all rights, claims and causes of action with respect to the obligations listed on Schedule H, including the right to dispute or challenge the characterization or the structure of any transaction, document or instrument related to a creditor's claim. The listing of a contract, guarantee or other obligation on Schedule H shall not be deemed an admission that such obligation is binding, valid or enforceable.

**Statements Question 2 – Other Income.** From time to time, the Debtors may have de minimis income from sources other than the operation of business that is not provided in response to Statement Question 2.

**Statements Question 3(b) and (c) – Payments to Creditors.** All amounts that remain outstanding to any creditor listed on Statement Question 3 are reflected on Schedules D, E, and F as applicable. Any creditor wishing to verify any outstanding indebtedness should review those schedules.

Certain intercompany transactions are accounted for through transfers of cash to and from appropriate bank accounts in and out of the Debtors' cash management system after certain adjustments are made to intercompany accounts receivable and accounts payable among the Debtor and its Debtor and non-Debtor affiliates. These payments and transactions have not been listed. However, readers of the Schedules and Statements wishing to verify any outstanding Intercompany Payables and Intercompany Receivables should refer to Schedules B16, D or F, as applicable.

The Debtor's response includes payments made to such creditors who are or were insiders only to the extent such payments were made during the time in which the creditor was an insider and only in that creditor's capacity as insider.

**Statements Question 9 – Payments Related to Debt Counseling or Bankruptcy.** All payments related to debt counseling or bankruptcy made to the Debtors' advisors are listed on the Statements of TerreStar Networks Inc. and TerreStar Networks (Canada) Inc. and represent payments made for themselves and their affiliates, except as specifically noted on the Statements.

**Statements Question 18(a) – Location of Business.** The Debtors have disclosed the address of each Debtor's main center of operations or headquarters and have not included information regarding any related ground stations, warehousing, or storage facilities, or any other site or location where a portion of a Debtor's business operations are conducted.

**Statements Question 19(d) – Books, Records, and Financial Statements.** Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, TerreStar Corporation, the non-Debtor ultimate parent company of the Debtors, has filed with the U.S. Securities and Exchange Commission (the "**SEC**") reports on Form 8-K, Form 10-Q, and Form 10-K. These SEC filings contain consolidated financial information relating to the Debtors. Additionally, consolidated financial information for the Debtors is posted on the company's website at [www.terrestar.com](http://www.terrestar.com). Because the SEC filings and the website are of public record, the Debtors do

not maintain records of the parties that requested or obtained copies of any of the SEC filings from the SEC or the Debtors.

In addition, the Debtors provide certain parties, such as banks, auditors, potential investors, vendors and financial advisors financial statements that may not be part of a public filing. The Debtors do not maintain complete lists to track such disclosures. As such, the Debtors have not provided lists of these parties in response to this question.

**Statements Question 23 – Distributions to an Insider.** Certain intercompany transactions are accounted for through transfers of cash to and from appropriate bank accounts in and out of the Debtors' cash management system after certain adjustments are made to intercompany accounts receivable and accounts payable among the Debtor and its Debtor and non-Debtor affiliates. These payments and transactions have not been listed. However, readers of the Schedules and Statements wishing to verify any outstanding Intercompany Payables and Intercompany Receivables should refer to Schedules B16, D or F, as applicable.

The Debtor's response includes payments made to such creditors who are or were insiders only to the extent such payments were made during the time in which the creditor was an insider and only in that creditor's capacity as insider.

**United States Bankruptcy Court**  
**Southern District of New York**

In re **TerreStar Networks Holdings (Canada) Inc.**,  
 Debtor

Case No. **10-15447 (SHL)**

Chapter **11**

**SUMMARY OF SCHEDULES**

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from Schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts of all claims from Schedules D, E, and F to determine the total amount of the debtor's liabilities. Individual debtors must also complete the "Statistical Summary of Certain Liabilities and Related Data" if they file a case under chapter 7, 11, or 13.

NAME OF SCHEDULE	ATTACHED (YES/NO)	NO. OF SHEETS	ASSETS	LIABILITIES	OTHER
A - Real Property	<b>Yes</b>	<b>1</b>	<b>0.00</b>		
B - Personal Property	<b>Yes</b>	<b>3</b>	<b>0.00</b>		
C - Property Claimed as Exempt	<b>No</b>	<b>0</b>			
D - Creditors Holding Secured Claims	<b>Yes</b>	<b>1</b>		<b>944,354,969.00</b>	
E - Creditors Holding Unsecured Priority Claims (Total of Claims on Schedule E)	<b>Yes</b>	<b>1</b>		<b>0.00</b>	
F - Creditors Holding Unsecured Nonpriority Claims	<b>Yes</b>	<b>1</b>		<b>0.00</b>	
G - Executory Contracts and Unexpired Leases	<b>Yes</b>	<b>1</b>			
H - Codebtors	<b>Yes</b>	<b>1</b>			
I - Current Income of Individual Debtor(s)	<b>No</b>	<b>0</b>			<b>N/A</b>
J - Current Expenditures of Individual Debtor(s)	<b>No</b>	<b>0</b>			<b>N/A</b>
Total Number of Sheets of ALL Schedules		<b>9</b>			
Total Assets			<b>0.00</b>		
Total Liabilities				<b>944,354,969.00</b>	



In re **TerreStar Networks Holdings (Canada) Inc.**

Case No. **10-15447 (SHL)**

Debtor

SCHEDULE A - REAL PROPERTY

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a cotenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor's own benefit. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor holds no interest in real property, write "None" under "Description and Location of Property."

**Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.**

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write "None" in the column labeled "Amount of Secured Claim." If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C - Property Claimed as Exempt.

Description and Location of Property	Nature of Debtor's Interest in Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption	Amount of Secured Claim
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None

In re **TerreStar Networks Holdings (Canada) Inc.**Case No. **10-15447 (SHL)**

Debtor

**SCHEDULE B - PERSONAL PROPERTY**

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more of the categories, place an "x" in the appropriate position in the column labeled "None." If additional space is needed in any category, attach a separate sheet properly identified with the case name, case number, and the number of the category. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor is an individual or a joint petition is filed, state the amount of any exemptions claimed only in Schedule C - Property Claimed as Exempt.

**Do not list interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.**

If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property." If the property is being held for a minor child, simply state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m).

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
1. Cash on hand	X			
2. Checking, savings or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives.		SunTrust Bank Attn: Linda Jameson 8330 Boone Boulevard, 7th Floor Vienna, VA 22182 Demand Deposit Account No.:XXXXXXXX8851	-	0.00
3. Security deposits with public utilities, telephone companies, landlords, and others.	X			
4. Household goods and furnishings, including audio, video, and computer equipment.	X			
5. Books, pictures and other art objects, antiques, stamp, coin, record, tape, compact disc, and other collections or collectibles.	X			
6. Wearing apparel.	X			
7. Furs and jewelry.	X			
8. Firearms and sports, photographic, and other hobby equipment.	X			
9. Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each.		Directors and Officers Insurance Policy Encon Group Inc. Policy No. EIM-PV-0699 Term: 04/12/10 to 04/12/11	-	Unknown
10. Annuities. Itemize and name each issuer.	X			

Sub-Total > **0.00**  
(Total of this page)

2 continuation sheets attached to the Schedule of Personal Property

In re **TerreStar Networks Holdings (Canada) Inc.**Case No. **10-15447 (SHL)**

Debtor

## SCHEDULE B - PERSONAL PROPERTY

(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
11. Interests in an education IRA as defined in 26 U.S.C. § 530(b)(1) or under a qualified State tuition plan as defined in 26 U.S.C. § 529(b)(1). Give particulars. (File separately the record(s) of any such interest(s). 11 U.S.C. § 521(c).)	<b>X</b>			
12. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Give particulars.	<b>X</b>			
13. Stock and interests in incorporated and unincorporated businesses. Itemize.		<b>TerreStar Networks (Canada) Inc. 80% of Common Stock Ownership</b>	-	<b>Unknown</b>
14. Interests in partnerships or joint ventures. Itemize.	<b>X</b>			
15. Government and corporate bonds and other negotiable and nonnegotiable instruments.	<b>X</b>			
16. Accounts receivable.	<b>X</b>			
17. Alimony, maintenance, support, and property settlements to which the debtor is or may be entitled. Give particulars.	<b>X</b>			
18. Other liquidated debts owed to debtor including tax refunds. Give particulars.	<b>X</b>			
19. Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule A - Real Property.	<b>X</b>			
20. Contingent and noncontingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust.	<b>X</b>			
21. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each.	<b>X</b>			

Sub-Total > **0.00**  
(Total of this page)

Sheet 1 of 2 continuation sheets attached  
to the Schedule of Personal Property

In re **TerreStar Networks Holdings (Canada) Inc.**Case No. **10-15447 (SHL)**

Debtor

**SCHEDULE B - PERSONAL PROPERTY**

(Continuation Sheet)

Type of Property	N O N E	Description and Location of Property	Husband, Wife, Joint, or Community	Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption
22. Patents, copyrights, and other intellectual property. Give particulars.	<b>X</b>			
23. Licenses, franchises, and other general intangibles. Give particulars.	<b>X</b>			
24. Customer lists or other compilations containing personally identifiable information (as defined in 11 U.S.C. § 101(41A)) provided to the debtor by individuals in connection with obtaining a product or service from the debtor primarily for personal, family, or household purposes.	<b>X</b>			
25. Automobiles, trucks, trailers, and other vehicles and accessories.	<b>X</b>			
26. Boats, motors, and accessories.	<b>X</b>			
27. Aircraft and accessories.	<b>X</b>			
28. Office equipment, furnishings, and supplies.	<b>X</b>			
29. Machinery, fixtures, equipment, and supplies used in business.	<b>X</b>			
30. Inventory.	<b>X</b>			
31. Animals.	<b>X</b>			
32. Crops - growing or harvested. Give particulars.	<b>X</b>			
33. Farming equipment and implements.	<b>X</b>			
34. Farm supplies, chemicals, and feed.	<b>X</b>			
35. Other personal property of any kind not already listed. Itemize.	<b>X</b>			

Sub-Total > **0.00**  
(Total of this page)

Total > **0.00**

(Report also on Summary of Schedules)

Sheet **2** of **2** continuation sheets attached  
to the Schedule of Personal Property

In re **TerreStar Networks Holdings (Canada) Inc.**Case No. **10-15447 (SHL)**

Debtor

**SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS**

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is a creditor, the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor", include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H", "W", "J", or "C" in the column labeled "Husband, Wife, Joint, or Community".

If the claim is contingent, place an "X" in the column labeled "Contingent". If the claim is unliquidated, place an "X" in the column labeled "Unliquidated". If the claim is disputed, place an "X" in the column labeled "Disputed". (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion" on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	H U S B A N D W I F E J O I N T C O M M U N I T Y	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
Account No.			<b>02/14/07 and 02/07/08</b>					
<b>U.S. Bank National Association as trustee 60 Livingston Ave Saint Paul, MN 55107-2292</b>	<b>X</b>		<b>Guaranty - Senior Secured Notes</b>					
			<b>Collateral: Security interest in all assets listed in Security Agreement</b>					
			Value \$ <b>Unknown</b>				<b>944,354,969.00</b>	<b>Unknown</b>
Account No.								
			Value \$					
Account No.								
			Value \$					
Account No.								
			Value \$					
Subtotal (Total of this page)							<b>944,354,969.00</b>	<b>0.00</b>
Total (Report on Summary of Schedules)							<b>944,354,969.00</b>	<b>0.00</b>

0 continuation sheets attached

In re **TerreStar Networks Holdings (Canada) Inc.**Case No. **10-15447 (SHL)**

Debtor

**SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS**

A complete list of claims entitled to priority, listed separately by type of priority, is to be set forth on the sheets provided. Only holders of unsecured claims entitled to priority should be listed in this schedule. In the boxes provided on the attached sheets, state the name, mailing address, including zip code, and last four digits of the account number, if any, of all entities holding priority claims against the debtor or the property of the debtor, as of the date of the filing of the petition. Use a separate continuation sheet for each type of priority and label each with the type of priority.

The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m).

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H-Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of claims listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all claims listed on this Schedule E in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules.

Report the total of amounts entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Report the total of amounts not entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts not entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

☒ Check this box if debtor has no creditors holding unsecured priority claims to report on this Schedule E.

**TYPES OF PRIORITY CLAIMS** (Check the appropriate box(es) below if claims in that category are listed on the attached sheets)☐ **Domestic support obligations**

Claims for domestic support that are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such a child, or a governmental unit to whom such a domestic support claim has been assigned to the extent provided in 11 U.S.C. § 507(a)(1).

☐ **Extensions of credit in an involuntary case**

Claims arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee or the order for relief. 11 U.S.C. § 507(a)(3).

☐ **Wages, salaries, and commissions**

Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$11,725\* per person earned within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(4).

☐ **Contributions to employee benefit plans**

Money owed to employee benefit plans for services rendered within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(5).

☐ **Certain farmers and fishermen**

Claims of certain farmers and fishermen, up to \$5,775\* per farmer or fisherman, against the debtor, as provided in 11 U.S.C. § 507(a)(6).

☐ **Deposits by individuals**

Claims of individuals up to \$2,600\* for deposits for the purchase, lease, or rental of property or services for personal, family, or household use, that were not delivered or provided. 11 U.S.C. § 507(a)(7).

☐ **Taxes and certain other debts owed to governmental units**

Taxes, customs duties, and penalties owing to federal, state, and local governmental units as set forth in 11 U.S.C. § 507(a)(8).

☐ **Commitments to maintain the capital of an insured depository institution**

Claims based on commitments to the FDIC, RTC, Director of the Office of Thrift Supervision, Comptroller of the Currency, or Board of Governors of the Federal Reserve System, or their predecessors or successors, to maintain the capital of an insured depository institution. 11 U.S.C. § 507(a)(9).

☐ **Claims for death or personal injury while debtor was intoxicated**

Claims for death or personal injury resulting from the operation of a motor vehicle or vessel while the debtor was intoxicated from using alcohol, a drug, or another substance. 11 U.S.C. § 507(a)(10).

\* Amount subject to adjustment on 4/01/13, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

In re **TerreStar Networks Holdings (Canada) Inc.**Case No. **10-15447 (SHL)**

Debtor

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding unsecured claims to report on this Schedule F.

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.)	C O D E B T O R	H U S B A N D  W I F E  J O I N T  C O M M U N I T Y	D A T E C L A I M W A S I N C U R R E D A N D C O N S I D E R A T I O N F O R C L A I M. I F C L A I M I S S U B J E C T T O S E T O F F, S O S T A T E.	C O N T I N G E N T	U N L I Q U I D A T E D	D I S P U T E D	A M O U N T O F C L A I M
Account No.							
Account No.							
Account No.							
Account No.							
Subtotal (Total of this page)							
Total (Report on Summary of Schedules)							<b>0.00</b>

0 continuation sheets attached

In re **TerreStar Networks Holdings (Canada) Inc.**

Case No. **10-15447 (SHL)**

Debtor

SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Describe all executory contracts of any nature and all unexpired leases of real or personal property. Include any timeshare interests. State nature of debtor's interest in contract, i.e., "Purchaser", "Agent", etc. State whether debtor is the lessor or lessee of a lease. Provide the names and complete mailing addresses of all other parties to each lease or contract described. If a minor child is a party to one of the leases or contracts, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

☐ Check this box if debtor has no executory contracts or unexpired leases.

Name and Mailing Address, Including Zip Code, of Other Parties to Lease or Contract	Description of Contract or Lease and Nature of Debtor's Interest. State whether lease is for nonresidential real property. State contract number of any government contract.
Andre Tremblay 1035 Laurier Ave, Suite 200 Montreal, Quebec H2V 2L1 Canada	Employment Agreement
Encon Group, Inc. 500-1400 Blair Place Ottawa, On K1J 9B8 Canada	Insurance Agreement
Jacques Leduc 1035 Laurier Ave, Suite 200 Montreal, Quebec H2V 2L1 Canada	Employment Agreement



In re **TerreStar Networks Holdings (Canada) Inc.**Case No. **10-15447 (SHL)**

Debtor

**SCHEDULE H - CODEBTORS**

Provide the information requested concerning any person or entity, other than a spouse in a joint case, that is also liable on any debts listed by debtor in the schedules of creditors. Include all guarantors and co-signers. If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within the eight year period immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state, commonwealth, or territory. Include all names used by the nondebtor spouse during the eight years immediately preceding the commencement of this case. If a minor child is a codebtor or a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

☐ Check this box if debtor has no codebtors.

NAME AND ADDRESS OF CODEBTOR	NAME AND ADDRESS OF CREDITOR
<b>TerreStar License Inc.</b> <b>12010 Sunset Hills Road</b> <b>6th Floor</b> <b>Reston, VA 20190</b>	<b>U.S. Bank National Association</b> <b>as trustee</b> <b>60 Livingston Ave</b> <b>Saint Paul, MN 55107-2292</b> <b>Guaranty - Senior Secured Notes</b>
<b>TerreStar National Services Inc.</b> <b>11951 Freedom Drive</b> <b>13th Floor</b> <b>Reston, VA 20190</b>	<b>U.S. Bank National Association</b> <b>as trustee</b> <b>60 Livingston Ave</b> <b>Saint Paul, MN 55107-2292</b> <b>Guaranty - Senior Secured Notes</b>
<b>TerreStar Networks (Canada) Inc.</b> <b>1035 Ave. Laurier West</b> <b>2nd Floor</b> <b>Outremont, Canada QC-H2V-2L1</b>	<b>U.S. Bank National Association</b> <b>as trustee</b> <b>60 Livingston Ave</b> <b>Saint Paul, MN 55107-2292</b> <b>Guaranty - Senior Secured Notes</b>
<b>TerreStar Networks Inc.</b> <b>12010 Sunset Hills Road</b> <b>6th Floor</b> <b>Reston, VA 20190</b>	<b>U.S. Bank National Association</b> <b>as trustee</b> <b>60 Livingston Ave</b> <b>Saint Paul, MN 55107-2292</b> <b>Senior Secured Notes</b>

**United States Bankruptcy Court  
Southern District of New York**

In re **TerreStar Networks Holdings (Canada) Inc.**

Debtor(s)

Case No. **10-15447 (SHL)**

Chapter **11**

**DECLARATION CONCERNING DEBTOR'S SCHEDULES**

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I, the Chief Financial Officer and Treasurer of the corporation named as debtor in this case, declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of **11** sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Date **November 8, 2010**

Signature /s/ Jacques Leduc

**Jacques Leduc**

**Chief Financial Officer and Treasurer**

*Penalty for making a false statement or concealing property:* Fine of up to \$500,000 or imprisonment for up to 5 years or both.  
18 U.S.C. §§ 152 and 3571.

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**APPLICATION OF TERRESTAR NETWORKS INC. UNDER SECTION 46 OF  
THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

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**SECOND REPORT OF THE INFORMATION OFFICER,  
DELOITTE & TOUCHE INC.  
NOVEMBER 18, 2010**

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