Hearing Date: TBD
Objection Deadline: January 20, 2016
Reply Deadline: February 15, 2016

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
MOTORS LIQUIDATION COMPANY, et al.,	Case No. 09-50026 (REG) (Jointly Administered)
Debtors	
MOTORS LIQUIDATION COMPANY AVOIDANCE ACTION TRUST, by and through the Wilmington Trust Company, solely in its capacity as Trust Administrator and Trustee,	Adversary Proceeding No. 09-00504 (REG)
Plaintiff,	
-against-	
JPMORGAN CHASE BANK, N.A. *et al.*,	
Defendants.	

DECLARATION OF MICHELE L. ANGELL IN SUPPORT OF MOTION OF AD HOC GROUP OF TERM LENDERS (1) TO VACATE CERTAIN PRIOR ORDERS OF THE COURT; AND (2) TO DISMISS THE ADVERSARY PROCEEDING

Michele L. Angell, an attorney duly admitted to the practice of law, declares under the penalty of perjury, that the following is true to the best of my knowledge:

1. I am an attorney at law admitted to practice in the State of New York and am associated with the law firm of Kasowitz, Benson, Torres & Friedman LLP (**"KBT&F"**), whose principal office is located at 1633 Broadway, New York, New York 10019. KBT&F is counsel for the Ad Hoc Group of Term Lenders (collectively, the **"Moving Term Lenders"**).[1]

2. I respectfully submit this Declaration in support of the *Motion of Ad Hoc Group of Term Lenders (1) to Vacate Certain Prior Orders of the Court; and (2) to Dismiss the Adversary Proceeding* (the **"Motion"**), filed contemporaneously herewith by the Moving Term Lenders.

3. Attached hereto as Exhibit A is a chart, prepared by me and other employees of KBT&F under my supervision and at my direction, reflecting the information required by paragraph 33 of this Court's *Case Management Order #3*, dated April 22, 2014 [Docket No. 12625] (the **"CMO"**), for citations to orders that have been entered in other cases included in the Motion.

4. Attached hereto as Exhibits B-G are true and correct copies of the orders entered in other cases that are cited in the Motion, retrieved from PACER from the dockets of each of those cases by employees of KBT&F acting under my supervision and at my direction, as required by paragraph 33 of the CMO.

Executed on the 19th day of November, 2015.

Michele L. Angell

[1] A full list of the Ad Hoc Group of Term Lenders is set forth on Appendix A to the Motion (as defined herein).

EXHIBIT A

Service Order Cited

Order Cited	**Entered On Notice?**	**Extent to Which Order Was Opposed?**	**Entered on Preliminary or Final Hearing?**	**Extent To Which The Provision Relied On Was Focused On By The Judge?**	**Findings Of Fact Or Conclusions Of Law?**
In re Worldspace, Adv. Proc. No. 10-53286 (Bankr. D. Del. June 5, 2014) [Docket No. 94].	Yes [Docket No. 84].	*Trustee's Answering Brief in Opposition to Motion of Mentor Graphics Corporation to Dismiss* – related to extension orders. [Docket No. 76].	Final Order [Docket No. 95]	Court heavily relied on issue in its final order. [Docket No. 94].	Court held that claims against unserved defendant did not relate back to filing of the initial complaint, because defendant never received notice of extension orders. [Docket No. 94], at 16-17.

DIP Orders Cited

Order Cited	**Entered On Notice?**	**Extent to Which Order Was Opposed?**	**Entered on Preliminary or Final Hearing?**	**Extent To Which The Provision Relied On Was Focused On By The Judge?**	**Findings Of Fact Or Conclusions Of Law?**
In re Relativity Fashion, LLC, Case No. 15-11989 (Bankr. S.D.N.Y. Aug. 27, 2015) [Docket No. 342].	Yes [Docket Nos. 23; 32].	*Objection of RKA Film Financing, LLC* – clarifies ability to assert avoidance claims [Docket No. 158]. *Objection of Ollawood Productions, LLC* – requesting automatic Committee standing [Docket No. 166]. Two other objections were filed that were unrelated to the Committee's standing or ability to assert claims. One additional objection was filed under seal.	Final Order [Docket No. 342].	Unknown – electronic access to DIP hearing transcript restricted until 11/24/2015 [Docket No. 403].	DIP Order states that it constitutes Findings and Conclusions.

Order Cited	**Entered On Notice?**	**Extent to Which Order Was Opposed?**	**Entered on Preliminary or Final Hearing?**	**Extent To Which The Provision Relied On Was Focused On By The Judge?**	**Findings Of Fact Or Conclusions Of Law?**
In re Chassix Holdings, Inc., Case No. 15-10578 (Bankr. S.D.N.Y. Apr. 10, 2015) [Docket No. 252].	Yes [Docket Nos. 31; 55].	No objections.	Final Order [Docket No. 252].	*DIP Hearing Transcript* – in response to a comment clarifying that Debtors did not concede standing to challenge the unsecured debt, but rather only the secured debt, the Court replies: "I saw that. I was fine with that." [Docket No. 345], at 20:2-9.	DIP Order states that it constitutes Findings and Conclusions.

Order Cited	**Entered On Notice?**	**Extent to Which Order Was Opposed?**	**Entered on Preliminary or Final Hearing?**	**Extent To Which The Provision Relied On Was Focused On By The Judge?**	**Findings Of Fact Or Conclusions Of Law?**
In re Pinnacle Airlines Corp., Case No. 12-11343 (Bankr. S.D.N.Y. May 17, 2012) [Docket No. 316] (Gerber, J.).	Yes. [Docket No. 23].	*Statement of Committee of Unsecured Creditors* – discuses out-of-Court modifications to the DIP motion, including, *inter alia*, "Granting the Committee Standing to commence an action during the Challenge Period without further motion practice[.]" [Docket No. 308], at 2. Four other objections were filed that were unrelated to the Committee's standing or ability to assert claims.	Final Order [Docket No. 316].	*DIP Hearing Transcript* –Court asks for clarification on who, under the DIP, receives automatic standing, and who must make a *Housecraft*, *Commodore* or *STN* showing, to which the Debtor replies that only the Committee receives automatic standing, to which the Court replies: "Okay." [Docket No. 375], at 99:6-17	*DIP Hearing Transcript* – the releases in the DIP order were found to be narrower than the objectors had thought, and reasonable under the circumstances. [Docket No. 375], at 186-87:22-1. DIP Order states that it constitutes Findings and Conclusions.

Order Cited	**Entered On Notice?**	**Extent to Which Order Was Opposed?**	**Entered on Preliminary or Final Hearing?**	**Extent To Which The Provision Relied On Was Focused On By The Judge?**	**Findings Of Fact Or Conclusions Of Law?**
In re Terrestar Networks Inc., Case No. 10-15446 (Bankr. S.D.N.Y. Nov. 18, 2010) [Docket No. 181].	Yes. [Docket Nos. 13; 24].	*Objection of Official Committee of Unsecured Creditors* – objecting to length of challenge period and broad scope of the releases [Docket No. 151]. Six other objections were filed that were unrelated to the Committee's standing or ability to assert claims.	Final Order [Docket No. 181]	Unknown. No mention in *DIP Hearing Transcript* [Docket No. 206].	DIP Order states that it constitutes Findings and Conclusions.
In re Buffets Restaurants Holdings, Inc, Case No. 12-10237 (Bankr. D. Del. Feb. 14, 2012) [Docket No. 225].	Yes [Docket Nos. 18; 127].	*Objection of the Official Committee of Unsecured Creditors* – objecting to the length of challenge period and theories upon which a challenge may be brought. [Docket No. 193]. Three other objections were filed that were unrelated to the Committee's standing or ability to assert claims.	Final Order. [Docket No. 225].	Unknown. No discussion in *DIP Hearing Transcript* besides that counsel mentions adding standing after negotiations (not due to objection), with no response from the Court. [Docket No. 247], at 34:18-20.	DIP Order states that it constitutes Findings and Conclusions.

EXHIBIT B

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In Re:	)	Chapter 7
	)	
WORLDSPACE, INC., et al.,	)	Case No. 08-12412(PJW)
	)	(Jointly Administered)
Debtors.	)	
	)	
	)	
Charles M. Forman, chapter 7 trustee for WorldSpace, Inc., et al.,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Adv. Proc. No. 10-53286(PJW)
	)	
Mentor Graphics Corporation,	)	
	)	
Defendant.	)	

MEMORANDUM OPINION

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Dated: June 5, 2014

WALSH, Judge

This opinion is with respect the Motion to Dismiss of defendant Mentor Graphics Corporation. (Doc. No. 83). This Court rules on three grounds. First, the Court takes issue with the strategic use of motions to extend time to serve process coupled with a lack of proper notice thereof to named defendants. Second, paragraph five of the Stipulation Scheduling Time to Answer/Respond to Amended Complaint and Addressing Related Relief (Doc. No. 69-1) does not salvage the service issues presented. Lastly, this Court does not believe that pursuant to Federal Rule of Civil Procedure 15(c) there is proper grounds for utilization of the relation back doctrine. The Motion to Dismiss is granted.

Procedural Background and Statement of Facts

This adversary proceeding was filed on October 15, 2010 to avoid and recover certain preferential transfers. The named defendant in the original adversary complaint was Mentor Graphics (Ireland) Limited (hereinafter "Mentor Ireland"). At that point in time, the case was a Chapter 11 reorganization, and the debtor WorldSpace, Inc. ("WorldSpace") was the entity prosecuting these claims through various adversary proceedings. WorldSpace filed its Chapter 11 on October 17, 2008 and was subsequently converted to a Chapter 7 on June 12, 2012. Prior to its conversion, WorldSpace filed five motions to extend the time to serve process relating to

the complaints to avoid and recover preferential transfers, including the complaint at issue here. In total, WorldSpace initiated fourteen adversary proceedings, and by and through its five motions extended the service of process deadline on all fourteen adversary proceedings.

Upon conversion to Chapter 7, a Trustee was appointed who subsequently filed four additional motions to extend the time to serve process in those same fourteen adversary proceedings. In total, this Court granted nine motions to extend the time to serve process. Outlined below are the dates of the motions to extend.

1. The First Motion to Extend Time was filed on 02/11/2011
2. The Second Motion to Extend Time was filed on 06/09/2011
3. The Third Motion to Extend Time was filed on 10/07/2011
4. The Fourth Motion to Extend Time was filed on 02/07/2012
5. The Fifth Motion to Extend Time was filed on 05/25/2012
6. The Sixth Motion to Extend Time was filed on 10/04/2012
7. The Seventh Motion to Extend Time was filed on 01/08/2013
8. The Eighth Motion to Extend Time was filed on 06/03/2013
9. The Ninth Motion to Extend Time was filed on 09/23/2013

Below are the details of the service, or lack thereof, of the motions to extend in relation to Mentor Ireland.

1. Mentor Ireland was served with the first motion to extend time, as well as served with the signed Order of this Court granting that motion. Service was sent to an address listed as: Mentor Graphics Ireland Limited, East Park Shannon Free

Zone, County Clare Shannon, Ireland pursuant to an affidavit of service (Doc. No. 8).

2. Mentor Ireland was served with the second motion to extend. Service was sent to an address listed as: Mentor Graphics Ireland Limited, East Park Shannon Free Zone, County Clare Shannon, Ireland pursuant to an affidavit of service (Doc. No. 11) However, Mentor Ireland was not served with the Order of this Court granting the motion.

3. Mentor Ireland was not served with the third motion to extend. An affidavit of service was filed (Doc. No. 18) without listing Mentor Ireland as a recipient of service.

4. Mentor Ireland was not served with the fourth motion to extend. An affidavit of service was filed (Doc. No. 25) without listing Mentor Ireland as a recipient of service.

5. Mentor Ireland was not served with the fifth motion to extend. An affidavit of service was filed (Doc. No. 30) without listing Mentor Ireland as a recipient of service.

6. Mentor Ireland was not served with the sixth motion to extend. The docket does not reflect any affidavit of service of the sixth motion. The docket does reflect an affidavit of service of the signed Order, however Mentor Ireland was not on that service list (Doc. No.42).

7. Mentor Ireland was not served with the seventh motion to extend. The docket does not reflect any affidavit of service of the seventh motion. The docket does reflect an affidavit of service of the signed Order, however Mentor Ireland was not on that service list (Doc. No.48).

8. Mentor Ireland was served with the eighth motion to extend time. Service was sent to an address listed as: Mentor Graphics Ireland Limited, East Park Shannon Free Zone, County Clare Shannon, Ireland pursuant to an affidavit of service (Doc. No. 50).

9. Mentor Ireland was served with the ninth motion to extend time. Service was sent to an address listed as: Mentor Graphics Ireland Limited, East Park Shannon Free Zone, County Clare Shannon, Ireland pursuant to an affidavit of service (Doc. No. 58).

Based on the record, Mentor Ireland was only served with the following: the first motion and corresponding Order, the second motion, the eighth motion, and the ninth motion. Notably, it is unclear whether or not the sixth and seventh motions were served on any interested party, as the docket does not reflect any affidavit of service in connection with those two motions.

On December 12, 2013, the Trustee filed a Summons and Certificate of Service (Doc. No. 63) in order to effectuate the prosecution of the adversary proceeding. The Certificate of Service was mailed to Mentor Graphic Corporation, Attn: Helen Lushenko, 8005 S. W. Boeckman Road, Wilsonville, OR 97070. This appears to be the first time that Mentor Graphics Corporation is mentioned as a (potential) defendant by either WorldSpace or the Trustee. In response to the summons, Mentor Ireland filed a Motion to Quash Service of Process. Subsequently, Trustee filed an amended complaint. (Doc. No. 68). Trustee amended the complaint to substitute the original defendant (Mentor Ireland) with a new defendant, Mentor Graphics Corporation (hereinafter "Mentor Oregon"). Upon that amendment, Mentor Oregon filed the Motion to Dismiss.

Jurisdiction

This Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157 and 1334. This proceeding involves core matters under 28 § 157(b)(2). Venue is proper in this

Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Standard of Review

Defendant brought the Motion to Dismiss pursuant to Federal Rule of Civil Procedure 12(b)(5) and 12(b)(6). Both are made applicable to the instant proceeding by Federal Bankruptcy Rule 7012. See Fed. R. Bankr. P. 7012. Federal Rule 12(b)(5) provides that a defendant may move to dismiss a complaint when a plaintiff fails to properly serve the defendant. Fed. R. Civ. P. 12(b)(5). Rule 12(b)(6) governs a motion to dismiss for failure to state a claim upon which relief can be granted. Fed. R. Civ. P. 12(b)(6).

When a motion challenging sufficiency of service is filed pursuant to Rule 12(b)(5), "the party asserting the validity of service bears the burden of proof on that issue." Tani v. FPL/Next Era Energy, 811 F. Supp. 2d 1004, 1025 (D. Del. 2011) (citing Grand Entm't Group, Ltd. v. Star Media Sales, Inc., 988 F.2d 476, 488 (3d Cir.1993)). In a bankruptcy context and adversary proceeding, service of process must be made in accordance with Bankruptcy Rule 7004 . Accordingly, in determining the sufficiency of service of process, Federal Rule of Civil Procedure 4 applies to this bankruptcy case pursuant to Bankruptcy Rule 7004. See Fed. R. Bankr. P. 7004. Here, the objection under Rule 12(b)(5) is an argument that the plaintiff failed to comply with the procedural requirements for proper service of the summons and complaint as set

forth in Rule 4, specifically subsection (m).

This Court has broad discretion "[u]pon determining that process has not been properly served on a defendant" to dismiss the complaint in its totality or to instead quash service of process. Umbenhauer v. Woog, 969 F.2d 25, 30 (3d Cir. 1992). Dismissal is not appropriate if it is reasonable and possible to rectify the service deficiency. Id.

In assessing a Rule 12(b)(6) motion to dismiss, this Court must "accept all factual allegations as true, construe the complaint in the light most favorable to the plaintiff, and determine whether, under any reasonable reading of the complaint, the plaintiff may be entitled to relief." Eid v. Thompson, 740 F.3d 118, 122 (3d Cir. 2014) (citations omitted). A plaintiff must, to successfully rebuff a motion of this nature, provide factual allegations which "raise a right to relief above the speculative level...." Id. (citing Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555, (2007)). As a result, a complaint must state a plausible claim for relief to defeat a motion to dismiss. Id. (citing Ashcroft v. Iqbal, 556 U.S. 662, 679 (2009)).

Discussion

I. Deficiencies in Notice of Motions to Extend Time to Serve Process

The most important aspect of the lack of notice present in this case stems from the lack of notice of the third motion to extend. That specific service oversight is significant. Mentor

Ireland was never made aware of the fact that the second extension motion was granted, nor made aware of any other extension requests thereafter until it was served with the eighth motion to extend, a full two years later. Any notice that Mentor Ireland had at one point concerning the possibility of being named in a lawsuit logically ended when it was never provided with the second signed Order extending service. Once the extension period stemming from the second extension motion ended, and Mentor Ireland was not served in a lawsuit, nor served with another extension motion, it had no reason know that it should take pre-litigation precautions, preserve evidence, consult with employees or take any other measure to ensure that it could defend itself on the merits of a claim. Moreover, during the two year gap period between the service of the second motion to extend and the eighth motion to extend, the statute of limitations on the underlying action expired.

Neither party has cited cases or rules which describe the notice requirements for motions to extend the service period. Due to their very nature, these types of motions can be granted on an *ex parte* basis, thus negating the notion that there exists a hard-and-fast rule that service was required upon Mentor Ireland. However, that does not end this Court's inquiry, and cannot satisfy the equitable issue before the Court.

Instances of service extension motions going forward on an *ex parte* basis do so because service cannot be effectuated by a

plaintiff, due to a defendant evading service, lack of knowledge of a defendant's whereabouts or address, or the like. See e.g. In re Global Crossing, Ltd., 385 B.R. 52, 82 (Bankr. S.D.N.Y. 2008) ("The cause for securing a Rule 4(m) order has historically been difficulties in serving a named defendant with process including such things as difficulties in finding the defendant, or a defendant's ducking service."). That is distinguishable from the case at bar. The address of Mentor Ireland was known (as exemplified by the fact that the first two extension motions were sent to their address) and the new defendant, Mentor Oregon, filed a proof of claim with a contact address in September of 2012.[1]

This Court was never apprised of the fact that service was being delayed without the full knowledge of all named defendants. This Court was under the impression that the strategic use of the extension motions was to facilitate the cases procedurally, with all interested parties aware of the proceedings.

That impression was represented to this Court and garnered from the pleadings. In the second motion to extend, in order to persuade this Court to grant another extension motion, it was pled that the first motion to extend was "served upon interested parties." (Doc. No. 10, ¶ 3). That was a true statement as noted above, Mentor Ireland was served with the first motion to extend. In the third motion to extend, it was pled to this Court

[1] Trustee filed four motions to extend the time to serve process after Mentor Oregon's proof of claim was filed.

that the second motion to extend was "served upon interested parties." (Doc. No. 17, ¶ 4). Again, that was a true statement. In the pleadings requesting a fourth motion to extend, it was represented to this Court that the third motion to extend was "served upon interested parties." (Doc. No. 24, ¶ 5). As it turns out, that is not a true statement. In the Fifth motion to extend, it was represented to this Court that the fourth motion to extend was "served upon interested parties." (Doc. No. 28, ¶ 6). Again, that is not a true statement. The last four motions to extend do not address notice to named defendants.

It bears emphasis that there is nothing inherently improper concerning the use of extension motions in a bankruptcy context to facilitate a reorganization or for some other procedural or equitable endeavor. See e.g. In re Interstate Bakeries Corp., 460 B.R. 222, 230 (B.A.P. 8th Cir. 2011) aff'd, 476 F. App'x 97 (8th Cir. 2012) (discussing that extension of service deadline was proper and discussing further in *dicta* that the debtor "obtained an extended [service] deadline from the court and provided all potential defendants with notice and the opportunity to be heard" and that the interested defendant "was afforded six separate opportunities to object to the extension of time[.]").

Had this Court known that four years after the original complaint was filed, service would be made for the first time, alerting a corporation to the existence of a potential lawsuit for

the first time, this Court would have questioned in a different manner the existence of due diligence in service, due diligence in prosecution, good cause and prejudice when reviewing the nine extension motions. The issues stated above are outcome determinative in this matter as they affect the relation back doctrine, discussed below.

II. Misplaced Reliance on Stipulation Agreement

On behalf of Mentor Ireland and Mentor Oregon their counsel consented to the filing of the amended complaint (Doc. # 68). However, that stipulation provides that "Nothing in this Stipulation shall be deemed a waiver of any defense or argument which Defendant Mentor Graphics Corporation might raise in this adversary proceeding." (Doc. # 69, ¶ 5).

III. There is No Ability to Relate Back Pursuant to Rule 15(c)

Trustee's Rule 15(c) relation back argument is unpersuasive. Federal Rule 15(c) is written in the conjunctive, and as such courts conclude that all of the conditions of this Rule must be met for a successful relation back of an amended complaint that seeks to substitute newly named defendants. Singletary v. Pa. Dep't of Corr., 266 F.3d 186, 194 (3d Cir.2001). The Trustee bears the burden of proof on these requirements. Markhorst v. Ridgid, Inc., 480 F. Supp. 2d 813, 815 (E.D. Pa. 2007). The purpose of the relation back doctrine is to balance the interests of the defendant, which are protected by the statute of limitations, with

the general preference to resolve disputes on the merits and not on mere technicalities. Krupski v. Costa Crociere S. p. A., 560 U.S. 538, 550 (2010). Rule 15(c) provides:

> (c) Relation Back of Amendments.
>
> (1) When an Amendment Relates Back. An amendment to a pleading relates back to the date of the original pleading when:
>
> (A) the law that provides the applicable statute of limitations allows relation back;
> (B) the amendment asserts a claim or defense that arose out of the conduct, transaction, or occurrence set out--or attempted to be set out--in the original pleading; or
> (C) the amendment changes the party or the naming of the party against whom a claim is asserted, if Rule 15(c)(1)(B) is satisfied and if, within the period provided by Rule 4(m) for serving the summons and complaint, the party to be brought in by amendment:
> (i) received such notice of the action that it will not be prejudiced in defending on the merits; and
> (ii) knew or should have known that the action would have been brought against it, but for a mistake concerning the proper party's identity.
>
> Civ. P. 15(c).

The original complaint filed on October 15, 2010 named Mentor Ireland as the defendant, but was never served. The amended complaint named Mentor Oregon, and was filed and served on January 29, 2014.

A. Same Transaction or Occurrence in Original Pleading

The first applicable requirement is 15(c)(1)(B)'s mandate that the amended pleading can only relate back as long as it

asserts a claim that arose out of the conduct, transaction or occurrence which was set out or attempted to be set out, in the original pleading. Fed. R. Civ. P. 15(c)(1)(B). This requirement is met in part. The original complaint outlines claims that arose from three preference transactions, totaling approximately $234,390.00. Exhibit A of the original complaint outlined the three transactions in more detail, claiming a payment of $77,908.50 was made on 7/31/2008; a payment of $74,012.00 was made on 8/22/2008 and a payment of 82,469.50 was made on 9/4/2008. No other details nor evidence of the three transactions were provided. The amended complaint asserts the same preference transactions, but it identifies a different transferee.

Rule 15(c) outlines the seemingly complex hurdles that a plaintiff must jump to allow an amended claim to relate back. Relation back allows a plaintiff to evade the otherwise applicable statute of limitations. See Glover v. F.D.I.C., 698 F.3d 139, 145 (3d Cir. 2012) (citing Krupski, 560 U.S. 538). That extraordinary result potentially allowed under Rule 15(c) is premised on fair notice. Fair notice comes into play to balance the rights provided under Rule 15(c) with the protections defendants receive from the statute of limitations. Glover, 698 F.3d at 145-46 ("Though not expressly stated, it is well-established that the touchstone for relation back is fair notice, because Rule 15(c) is premised on the theory that a party who has been notified of litigation concerning

a particular occurrence has been given all the notice that statutes of limitations were intended to provide.") (citations omitted).

B. The Applicable Rule 4(m) Time-Period

Under Rule 15(c)(1)(C), in order to add a new defendant the notice requirements within the rule are tied to the timing requirements of Rule 4(m). See Fed. R. Civ. P. 15. Rule 4(m) requires that a defendant is served within 120 days after the complaint is filed. Fed. R. Civ. P. 4(m). If that deadline expires before service occurs, the court must dismiss the action or order that service be effectuated. Id. However, if good cause exists for the failure to serve, a court can also extend the time to serve. Id. This Court granted the nine extension motions in part pursuant to Rule 4(m).

Thus, in analyzing Rule 15(c), an amendment relates back when, during the above described Rule 4(m) period, a party to be brought in by amendment: (i) received notice of the action and will not be prejudiced defending on the merits and (ii) knew or should have known the action would be brought but for a mistake. See Fed. R. Civ. P. 15. Upon careful review of the facts specific to this case, and the Federal Rules of Civil Procedure, this Court needs to decide exactly what the relevant 4(m) time period is to determine whether Mentor Oregon can be added as a defendant.

Trustee argues that for the purposes of relation back, the relevant Rule 4(m) period extended through January 30, 2014

which includes all nine motions to extend. Mentor Oregon believes that none of the motions to extend should allow the relation back, and the relevant Rule 4(m) period ended 120 days after the filing of the original complaint which expired on February 12, 2011.

This Court is mindful of the fact that in most situations, motions to extend are included in a relation back analysis. See Wright and Miller, 6A Fed. Prac. & Proc. Civ. § 1498.1 (3d ed.) ("[N]otice required under the rule . . . is linked to the federal service period of 120 days or any additional time resulting from a court ordered extension." Even the comments to the Rules themselves seemingly contextualize that this is the appropriate result. See Fed. R. Civ. P. 15, Advisory Committee Notes to 1991 Amendment ("In allowing a name-correcting amendment within the time allowed by Rule 4(m), this rule allows not only the 120 days specified in that rule, but also any additional time resulting from any extension ordered by the court pursuant to that rule, as may be granted . . . ."). Numerous other courts addressing only the issue of the relevant Rule 4(m) period, without the service failures present here, have also come to the same conclusion. See Robinson v. Clipse, 602 F.3d 605, 608 (4th Cir. 2010)("Rule 15(c)'s notice period incorporates any extension of the 120-day period under Rule 4(m)."); Williams v. City of New York, 06-CV-6601 NGG, 2009 WL 3254465 at *5 (E.D.N.Y. Oct. 9, 2009); Sciotti v. Saint-Gobain Containers, Inc., 06-CV-6422 CJS, 2008 WL

2097543 at *5 (W.D.N.Y. May 19, 2008). See also In re Global Link Telecom Corp., 327 B.R. 711, 715 (Bankr. D. Del. 2005) (stating that service was sufficient to survive a 12(b)(5) motion and defendant was bound by the Rule 4(m) extension motion when defendant was served with notice of the motion, did not object, and a hearing was held to address concerns of other defendants who did raise objections).

This Court felt that is was prudent to analyze the Rule 4(m) period in depth, considering the specific facts of this case which detail significant notice failures.

It would, for all intents and purposes, defeat the purpose of the relation back doctrine if it was a stead-fast rule that motions to extend were deemed ineffective as against previously unknown or unnamed defendants or unnamed in all situations. However, this Court cannot ignore the inherent injustice in failing to serve a named defendant with an extension motion, which operates to keep a claim alive years after the statute of limitations would have already expunged the issue. This Court should not allow a motion which was not served on an original, named defendant, to extend the time applicable to sue a new defendant.

As such, the relevant time period for analyzing Rule 15(c) does not include any motion to extend which was not served on

Mentor Ireland. The relevant period ends after the expiration of the second motion to extend on October 10, 2011.

C. Notice to Avoid Prejudice in Defending on the Merits

Notice to avoid prejudice in defending itself can be either actual or imputed. Garvin v. City of Philadelphia, 354 F.3d 215, 222-23 (3d Cir. 2003). The notice must be received such that there is no prejudice to the newly named defendant which would prevent them from maintaining a defense on the merits. Miller v. Hassinger, 173 F. App'x 948, 955 (3d Cir. 2006). Relation back can only occur if on or before October 10, 2011 Mentor Oregon had notice to prevent prejudice. It is clear from the evidence that actual notice was not had.

Without actual notice, there can be instead imputed or constructive notice. In the Third Circuit, imputed notice requires a showing of either a shared attorney or an identity of interest. In re Joey's Steakhouse, LLC, 474 B.R. 167, 179 (Bankr. E.D. Pa. 2012) (citing Garvin, 354 F.3d at 222–223). There is no feasible argument that during the relevant time period, the shared attorney theory of imputed notice provided notice to Mentor Oregon. No evidence was proffered that Mentor Oregon had retained, spoke with or conferred with counsel during all relevant times. Additionally, no evidence was proffered that Mentor Ireland retained counsel during that same time period. Thus, imputed notice fails under this theory. See Singletary, 266 F.3d at 196 ("The 'shared attorney'

method of imputing Rule 15(c)(3) notice is based on the notion that, when an originally named party and the party who is sought to be added are represented by the same attorney, the attorney is likely to have communicated to the latter party that he may very well be joined in the action.").

Notice under identity of interest also fails to provide notice. To meet imputed notice under this theory, "the newly named Defendant and the original Defendants may be so closely intertwined in their business operations or other activities that the filing of suit against one effectively provides notice of the action to the other." Joey's Steakhouse, 474 B.R. at 180. Again, there has been no evidence that these entities are sufficiently intertwined. This inquiry is a fact intensive determination. There has been no evidence presented to the Court that these two entities share service agents, share officers, board members or directors, nor do they share offices or addresses. The sole piece of evidence proffered of the shared identity of the two entities is a document which was printed on 3/10/2014 that states that, pursuant to the website of Mentor Graphics Worldwide, the Irish corporation appears to now be named "Mentor Graphics Corporation." (Doc. No. 77). However, Trustee did not provide this Court with a date or time line of when the name change occurred. It was simply stated that it was "post-petition." (Doc. No. 91). Accordingly, its evidentiary value is negligible.

Moving forward, this notice analysis is inextricably intertwined with a prejudice analysis. Abdell v. City of New York, 759 F. Supp. 2d 450, 454 (S.D.N.Y. 2010) ("Indeed, the linchpin of relation back doctrine is notice within the limitations period, so that the later-named party will not be prejudiced in defending the case on the merits.") (citations omitted). Notice itself is not sufficient, it must be notice such that the defendant is not the victim of an unfair surprise. Without notice, there is inherent prejudice, which makes the actual prejudice Mentor Oregon faces clear. The transaction outlined in the complaint occurred in 2008, the complaint was filed (but never served) against a different entity (Mentor Ireland) in 2010, and the newly added defendant was not aware of the suit until the fall of 2013. The claims are stale and the evidence is lost or eroded. There is no evidence that pre-litigation precautions were taken by Mentor Oregon.

This is a perfect example of winning the battle, only to lose the war. While the relevant time period was extended for WorldSpace and the Trustee to effectuate service, it is that precise time period which undoubtedly harms Mentor Oregon's ability to defend itself. The notice requirement exists so that the new defendant has the ability to "anticipate and therefore prepare for his role as a defendant." In re Integrated Res. Real Estate Ltd. Partnerships Sec. Litig., 815 F. Supp. 620, 648 (S.D.N.Y. 1993) ("A firm or an individual may receive notice that the lawsuit exists

. . . without recognizing itself as the proper defendant and so without knowledge that it would be sued . . . just as a firm or individual may be the proper party without receiving any notice at all. The former is as thoroughly barred by Rule 15(c) as the latter."). Those unserved motions to extend the time to serve did not place Mentor Oregon in a position upon which it knew to initiate any type of preservation of evidence process. There is no evidence that employees of Mentor Oregon involved in the transaction were questioned, nor were files preserved on a litigation hold.

It is inconceivable under these facts that Mentor Oregon could be called upon to defend itself. That is why it would be particularly prudent for a party using Rule 4(m) motions to strategically and tactfully extend the time to serve process to ensure that before years go by without service, that adequate notice is given. See Nelson v. Cnty. of Allegheny, 60 F.3d 1010, 1014-15 (3d Cir. 1995) ("The emphasis of the first prong of this [Rule 15(c)] inquiry is on notice. The 'prejudice' to which the Rule refers is that suffered by one who, for lack of timely notice that a suit has been instituted, must set about assembling evidence and constructing a defense when the case is already stale.")(citations omitted); Bryant v. Vernoski, CIV.A. 11-263, 2012 WL 1132503 at *2 (M.D. Pa. Apr. 4, 2012) ("The second condition, requiring notice in order to avoid prejudice, is the

heart of the relation back analysis.") (citing Schiavone v. Fortune, 477 U.S. 21, 31 (1986)).

D. Mistake Concerning the Proper Party's Identity

This last requirement for adding a new defendant and relating it back to an original complaint is wholly separate from the notice and prejudice element discussed above. Under Rule 15(c)(1)(C)(ii), the change relates back if the new defendant "knew or should have known that the action would have been brought against it, but for a mistake concerning the proper party's identity." Fed. R. Civ. P. 15(c)(1)(C)(ii). Thus, Trustee needs to proffer evidence that Mentor Oregon knew or should have known during the 4(m) period that it should have been the target of the original complaint. The Supreme Court has made it clear that the accurate inquiry is what the party to be added knew or should have known, and should not focus on the plaintiffs knowledge or timeliness in amending the complaint. Krupski, 560 U.S. at 541.

There is no evidence that Mentor Oregon had reason to believe it was incorrectly omitted from the original lawsuit or that but for an error, it should have been the defending party. Both Mentor Ireland and Mentor Oregon signed separate contracts at separate times with WorldSpace. To be clear, Mentor Ireland was never served, and thus never saw the complaint at issue. All it received was two extension motions. Those extension motions did not outline the claims that would be potentially asserted, or specify

the contracts under which avoidance was sought. More importantly, calling into question the potential avoidability of one contract does not impute potential avoidability of a different contract. So Mentor Ireland was never appraised of any fact upon which they knew the wrong transferee was being sued. The same logic applies to Mentor Oregon; it was never appraised of a fact that would alert them that a potential mistake was made.[2]

Other than a similarity in name, Trustee has not provided any evidence that these two separate entities had any reason to believe that a preference action against could possibly be a mistake for a preference against the other. Both corporations have separate and distinct addresses. The post-petition name change of Mentor Ireland, outlined above, again does not satisfy the Trustees burden that these two entities should have known they could be mistaken for each other. The document which outlines an undated change is essentially irrelevant. More importantly, calling into question the payments stemming from one contract with a debtor does not impute a potential preference action of a different contract. See In re 360networks (USA) Inc., 367 B.R. 428, 434 (Bankr. S.D.N.Y. 2007) ("[T]he mere fact that all of these transactions are potentially preferential transfers is of no consequence when

[2] Due to the fact that the original complaint and amended complaint are seeking avoidance on the same set of three payments, had Mentor Ireland been served, it would not have taken long for them to inform all other interested parties that the wrong transferee is being sued. This is the risk taken when waiting years to finally effectuate service.

performing a Rule 15(c)(2) analysis. In the context of preference actions, each potential preferential transfer is a separate and distinct transaction: a preference action based on one transfer does not put defendant on notice of claims with respect to any other unidentified transfers.").

Further, there has been no argument proffered by Trustee that a mistake was made, as opposed to a deliberate choice to sue one entity over the other. Krupski, 560 U.S. at 549 ("making a deliberate choice to sue one party instead of another while fully understanding the factual and legal differences between the two parties is the antithesis of making a mistake concerning the proper party's identity."). Trustee's answering brief did not even address this element. No argument was made that it was a mistake to send notices of the extension motions to an address in Ireland, to recover on claims against a corporation in Oregon. This Court is not convinced that the mistake in naming the wrong defendant was due to a technicality or confusion between the two corporate entities. See Joseph v. Elan Motorsports Technologies Racing Corp., 638 F.3d 555, 560 (7th Cir. 2011) ("A potential defendant who has not been named in a lawsuit by the time the statute of limitations has run is entitled to repose—unless it is or should be apparent to that person that he is the beneficiary of a mere slip of the pen, as it were."). While Mentor Ireland was a subsidiary of Mentor Oregon, they each had independently contractual

relationships with WorldSpace. The alleged preferences arose out of those separately contractual relationships with WorldSpace.

The awareness of both Mentor Ireland and Mentor Oregon does not foreclose the possibility that a mistake still occurred in choosing which entity to sue; and it does not conclusively determine whether Mentor Oregon knew or should have known that there was an error. However, even after the Trustee was appointed, service of the motions to extend continued to be served on Mentor Ireland; underscoring a reasonable perception that it was the transactions between WorldSpace and Mentor Ireland which were being prosecuted. See Krupski, 560 U.S. at 552. ("When the original complaint and the plaintiff's conduct compel the conclusion that the failure to name the prospective defendant in the original complaint was the result of a fully informed decision as opposed to a mistake concerning the proper defendant's identity, the requirements of Rule 15(c)(1)(C)(ii) are not met.").

Conclusion

To summarize. The complaint was filed on October 15, 2010 with respect to transactions that occurred in July, August and September 2008. Plaintiff sought and obtained nine extensions of time to serve the complaint. A number of these extensions were procedurally improper. The last extension order set a cutoff date of January 30, 2014. Summons was served On Mentor Ireland on December 12, 2013. The amended complaint which dropped defendant

Mentor Ireland and substituted Mentor Oregon as the defendant was filed on January 29, 2014, over five years after the relevant transactions took place.

For the reasons stated above, the Motion to Dismiss of Mentor Oregon will be granted.

EXHIBIT C

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
RELATIVITY FASHION, LLC, *et al.*,[1]	Case No. 15-11989 (MEW)
Debtors.	(Jointly Administered)

FINAL ORDER PURSUANT TO SECTIONS 105, 361, 362, 363, 364, AND 507 OF THE BANKRUPTCY CODE (I) AUTHORIZING DEBTORS TO OBTAIN SUPERPRIORITY SECURED DEBTOR-IN-POSSESSION FINANCING, (II) AUTHORIZING DEBTORS TO USE CASH COLLATERAL, (III) GRANTING ADEQUATE PROTECTION TO THE CORTLAND PARTIES, AND (IV) GRANTING RELATED RELIEF

Upon the motion ("Motion") filed by Relativity Fashion, LLC and certain of its direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the "Debtors") in the above captioned chapter 11 cases (collectively, the "Chapter 11 Cases") requesting entry of an interim order (the "Interim Order") and a final order (the "Final Order" and, collectively with the Interim Order and the Second Interim Order, the "DIP Orders") under sections 105, 361, 362, 363(c), 363(e), 364(c), 364(d)(1), 364(e), and 507 of title 11 of the United States Code, 11 U.S.C. §§101-1532 (as amended, the "Bankruptcy Code"), and Rules 2002, 4001, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (as amended, the "Bankruptcy Rules"), and Rule 4001-2 of the Local Bankruptcy Rules for the Southern District of New York (as amended, the "Local Rules"), *inter alia* (a) authorizing the Debtors to enter into a $45,000,000 secured superpriority debtor-in-possession financing facility (as subsequently increased to $49,500,000 the "DIP Facility") pursuant to and in accordance with the superpriority secured debtor-in-possession credit agreement in the form attached to the Interim Order as

[1] The Debtors in these chapter 11 cases are as set forth on page (i).

The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Relativity Fashion, LLC (4571); Relativity Holdings LLC (7052); Relativity Media, LLC (0844); Relativity REAL, LLC (1653); RML Distribution Domestic, LLC (6528); RML Distribution International, LLC (6749); RMLDD Financing, LLC (9114); 21 & Over Productions, LLC (7796); 3 Days to Kill Productions, LLC (5747); A Perfect Getaway P.R., LLC (9252); A Perfect Getaway, LLC (3939); Armored Car Productions, LLC (2750); Best of Me Productions, LLC (1490); Black Or White Films, LLC (6718); Blackbird Productions, LLC (8037); Brant Point Productions, LLC (9994); Brick Mansions Acquisitions, LLC (3910); Brilliant Films, LLC (0448); Brothers Productions, LLC (9930); Brothers Servicing, LLC (5849); Catfish Productions, LLC (7728); Cine Productions, LLC (8359); CinePost, LLC (8440); Cisco Beach Media, LLC (8621); Cliff Road Media, LLC (7065); Den of Thieves Films, LLC (3046); Don Jon Acquisitions, LLC (7951); DR Productions, LLC (7803); Einstein Rentals, LLC (5861); English Breakfast Media, LLC (2240); Furnace Films, LLC (3558); Gotti Acquisitions, LLC (6562); Great Point Productions, LLC (5813); Guido Contini Films, LLC (1031); Hooper Farm Music, LLC (3773); Hooper Farm Publishing, LLC (3762); Hummock Pond Properties, LLC (9862); Hunter Killer La Productions, LLC (1939); Hunter Killer Productions, LLC (3130); In The Hat Productions, LLC (3140); J & J Project, LLC (1832); JGAG Acquisitions, LLC (9221); Left Behind Acquisitions, LLC (1367); Long Pond Media, LLC (7197); Madaket Publishing, LLC (9356); Madaket Road Music, LLC (9352); Madvine RM, LLC (0646); Malavita Productions, LLC (8636); MB Productions, LLC (4477); Merchant of Shanghai Productions, LLC (7002); Miacomet Media LLC (7371); Miracle Shot Productions, LLC (0015); Most Wonderful Time Productions, LLC (0426); Movie Productions, LLC (9860); One Life Acquisitions, LLC (9061); Orange Street Media, LLC (3089); Out Of This World Productions, LLC (2322); Paranoia Acquisitions, LLC (8747); Phantom Acquisitions, LLC (6381); Pocomo Productions, LLC (1069); Relative Motion Music, LLC (8016); Relative Velocity Music, LLC (7169); Relativity Development, LLC (5296); Relativity Film Finance II, LLC (9082); Relativity Film Finance III, LLC (8893); Relativity Film Finance, LLC (2127); Relativity Films, LLC (5464); Relativity Foreign, LLC (8993); Relativity India Holdings, LLC (8921); Relativity Jackson, LLC (6116); Relativity Media Distribution, LLC (0264); Relativity Media Films, LLC (1574); Relativity Music Group, LLC (9540); Relativity Production LLC (7891); Relativity Rogue, LLC (3333); Relativity Senator, LLC (9044); Relativity Sky Land Asia Holdings, LLC (9582); Relativity TV, LLC (0227); Reveler Productions, LLC (2191); RML Acquisitions I, LLC (9406); RML Acquisitions II, LLC (9810); RML Acquisitions III, LLC (9116); RML Acquisitions IV, LLC (4997); RML Acquisitions IX, LLC (4410); RML Acquisitions V, LLC (9532); RML Acquisitions VI, LLC (9640); RML Acquisitions VII, LLC (7747); RML Acquisitions VIII, LLC (7459); RML Acquisitions X, LLC (1009); RML Acquisitions XI, LLC (2651); RML Acquisitions XII, LLC (4226); RML Acquisitions XIII, LLC (9614); RML Acquisitions XIV, LLC (1910); RML Acquisitions XV, LLC (5518); RML Bronze Films, LLC (8636); RML Damascus Films, LLC (6024); RML Desert Films, LLC (4564); RML Documentaries, LLC (7991); RML DR Films, LLC (0022); RML Echo Films, LLC (4656); RML Escobar Films LLC (0123); RML Film Development, LLC (3567); RML Films PR, LLC (1662); RML Hector Films, LLC (6054); RML Hillsong Films, LLC (3539); RML IFWT Films, LLC (1255); RML International Assets, LLC (1910); RML Jackson, LLC (1081); RML Kidnap Films, LLC (2708); RML Lazarus Films, LLC (0107); RML Nina Films, LLC (0495); RML November Films, LLC (9701); RML Oculus Films, LLC (2596); RML Our Father Films, LLC (6485); RML Romeo and Juliet Films, LLC (9509); RML Scripture Films, LLC (7845); RML Solace Films, LLC (5125); RML Somnia Films, LLC (7195); RML Timeless Productions, LLC (1996); RML Turkeys Films, LLC (8898); RML Very Good Girls Films, LLC (3685); RML WIB Films, LLC (0102); Rogue Digital, LLC (5578); Rogue Games, LLC (4812); Roguelife LLC (3442); Safe Haven Productions, LLC (6550); Sanctum Films, LLC (7736); Santa Claus Productions, LLC (7398); Smith Point Productions, LLC (9118); Snow White Productions, LLC (3175); Spy Next Door, LLC (3043); Story Development, LLC (0677); Straight Wharf Productions, LLC (5858); Strangers II, LLC (6152); Stretch Armstrong Productions, LLC (0213); Studio Merchandise, LLC (5738); Summer Forever Productions, LLC (9211); The Crow Productions, LLC (6707); Totally Interns, LLC (9980); Tribes of Palos Verdes Production, LLC (6638); Tuckernuck Music, LLC (8713); Tuckernuck Publishing, LLC (3960); Wright Girls Films, LLC (9639); Yuma, Inc. (1669); Zero Point Enterprises, LLC (9558). The location of the Debtors' corporate headquarters is: 9242 Beverly Blvd., Suite 300, Beverly Hills, CA 90210.

Exhibit 2 (as amended from time to time, the "DIP Credit Agreement") with Relativity Media, LLC ("RML") and certain of its subsidiaries, as borrowers (the "DIP Borrowers"), Relativity Holdings LLC ("Relativity Holdco") and the other Debtors, as guarantors, Cortland Capital Market Services LLC, as administrative and collateral agent (the "DIP Agent"), and the lenders party thereto (the "DIP Lenders" and, together with the DIP Agent, the "DIP Secured Parties"), the other DIP Facility Documents (as defined below), the Budget (as defined below), and the DIP Orders, (b) authorizing the Debtors to use Cash Collateral (as defined below) as of the Petition Date pursuant to and in accordance with the Budget and the DIP Orders, (c) granting to the DIP Agent, for the benefit of the DIP Lenders, a security interest in and liens on the DIP Collateral (as defined below) and a superpriority administrative expense claim, to the extent and as provided in the DIP Orders and the DIP Facility Documents, to secure the DIP Obligations (as defined below); (d) granting certain adequate protection to the Cortland Parties (as defined below) and Manchester Securities (as defined below); (e) scheduling a final hearing (the "Final Hearing") to consider entry of the Final Order, and (f) granting related relief; and the Bankruptcy Court having found that the relief requested in the Motion is in the best interests of each of the Debtors, their estates, their creditors and other parties in interest; and the Bankruptcy Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before the Bankruptcy Court on July 31, 2015 (the "Interim Hearing"); and the Bankruptcy Court having determined that the legal and factual bases set forth in the Motion, the *Declaration of Brian G. Kushner Pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York in Support of Chapter 11 Petitions and First Day Pleadings*, dated as of July 30, 2015, and the Declaration of Timothy Coleman, Senior Managing Director of The Blackstone Group, L.P., in support of the Motion, dated as of July 30, 2015, and

articulated at the Interim Hearing adequately established just cause for the relief requested in the Motion; and the Bankruptcy Court having entered the Interim Order on July 31, 2015; and a second interim hearing (the "Second Interim Hearing") on the relief requested in the Motion having taken place on August 14, 2015; and the Final Hearing on the relief requested in the motion having taken place on August 25, 2015; and upon all of the proceedings had before the Bankruptcy Court at the Interim Hearing, the Second Interim Hearing and the Final Hearing; and after due deliberation and sufficient cause appearing therefor, it is

HEREBY FOUND AND CONCLUDED THAT:[2]

A. Commencement of Chapter 11 Cases. On July 30, 2015 (the "Petition Date"), the Debtors commenced the Chapter 11 Cases in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). The Debtors are continuing to operate their respective businesses and manage their respective properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. On August 7, 2015, the United States Trustee for the Southern District of New York (the "U.S. Trustee") appointed a seven-member Official Committee of Unsecured Creditors Committee, consisting of: (i) Carat USA, Inc.; (ii) NBC Universal; (iii) Cinedigm Corp.; (iv) Technicolor, Inc.; (v) Allied Advertising Limited Partnership (d/b/a Allied Integrated Marketing); (vi) Comen VFX LLC; and (vii) Create Advertising Group, LLC in the Chapter 11 Cases [Docket. No. 114].

B. Jurisdiction and Venue. The Bankruptcy Court has jurisdiction over the Chapter 11 Cases, the Motion, and the parties and property affected hereby, pursuant to 28 U.S.C. §§ 157(b) and 1334. Consideration of the Motion constitutes a core proceeding pursuant

[2] The findings and conclusions set forth herein constitute the Bankruptcy Court's findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052. To the extent any findings of fact constitute conclusions of law, they are adopted as such. To the extent any conclusions of law constitute findings of fact, they are adopted as such.

to 28 U.S.C. § 157(b)(2). The Bankruptcy Court may enter a final order consistent with Article III of the United States Constitution. Venue of the Chapter 11 Cases in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The bases for the relief sought in the Motion and granted in this Final Order are sections 105, 361, 362, 363(c), 363(e), 364(c), 364(d)(1), 364(e), and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6004 and 9014, and Local Rule 4001-2.

C. Adequate Notice. On July 30, 2015, the Debtors filed the Motion with the Bankruptcy Court pursuant to Bankruptcy Rules 2002, 4001 and 9014, and provided notice of the Motion and the Interim Hearing by electronic mail, facsimile, hand delivery, or overnight delivery to the following parties and/or their respective counsel as indicated below: (a) the U.S. Trustee; (b) the entities listed on the Consolidated List of Creditors Holding the 50 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) counsel to the agent (and if there is no agent, counsel to the lender(s)) under each of the Debtors' pre-petition financing facilities; (d) the United States Securities and Exchange Commission; (e) the Internal Revenue Service, and (f) all parties entitled to notice pursuant to Local Rule 9013-1(b) (collectively, the "Notice Parties"). On August 5, 2015, the Debtors provided, pursuant to Bankruptcy Rules 2002, 4001 and 9014, notice of the Second Interim Hearing by electronic mail, facsimile, hand delivery, or overnight delivery to the Notice Parties.

D. DIP Facility. The DIP Facility is a secured superpriority financing facility, which shall be comprised of a term loan in the aggregate principal amount of $49,500,000, of which (a) $9,500,000 (the "Interim DIP Loan") was made available to the Debtors upon entry of the Interim Order, subject to satisfaction of the conditions precedent contained in the DIP Credit Agreement; (b) $2,500,000 (the "Second Interim DIP Loan") was

made available to the Debtors upon entry of the Second Interim Order on August 14, 2015, subject to satisfaction of the conditions precedent contained in the DIP Credit Agreement; (c) $37,500,000 (the "Final DIP Loan" and, collectively with the Interim DIP Loan and the Second Interim DIP Loan, the "DIP Loans") shall be made available to the Debtors upon the entry of this Final Order, subject to satisfaction of the conditions in the DIP Credit Agreement. All DIP Loans and the other obligations under the DIP Facility Documents, including, without limitation, principal, interest, expenses, the DIP Fees (as defined below), and the other obligations due from time to time by the Debtors pursuant to the DIP Facility Documents shall be referred to as the "DIP Obligations."

E. Good Cause for Immediate Entry of the Final Order. Good cause has been shown for immediate entry of this Final Order pursuant to Bankruptcy Rules 4001(b)(2) and (c)(2) and Local Rule 4001-2. The Debtors have an immediate and critical need to obtain up to $49,500,000 of the DIP Loans and access to the Cash Collateral (as defined below) to satisfy their liquidity requirements to preserve and operate their businesses and maintain business relationships with, and the confidence of, their vendors, suppliers, and customers. Absent authorization to immediately use the DIP Facility and Cash Collateral, the Debtors' estates and their creditors would suffer immediate and irreparable harm. "Cash Collateral" shall have the meaning assigned to the term "cash collateral" under section 363(a) of the Bankruptcy Code and covers all "cash collateral" that constitutes Prepetition Collateral (as defined below); provided, however, that nothing in this Final Order shall authorize the use of cash collateral that constitutes Ultimates Collateral, Production Collateral, or P&A Collateral (each, as defined below).

F. Best Financing Available. The DIP Facility is the best source of debtor-in-possession financing available to the Debtors. The Debtors are unable to obtain (i) adequate

unsecured credit allowable under either sections 364(b) and 503(b)(l) of the Bankruptcy Code or section 364(c)(l) of the Bankruptcy Code, (ii) adequate credit secured by a senior lien on unencumbered assets of their estates under section 364(c)(2) of the Bankruptcy Code, (iii) adequate credit secured by a lien that is junior as to all the encumbered assets of their estates under section 364(c)(3) of the Bankruptcy Code, or (iv) secured credit under section 364(d)(l) of the Bankruptcy Code from sources other than the DIP Lenders on terms more favorable than the terms of the DIP Facility.

G. Terms of DIP Facility are Fair and Reasonable. The DIP Lenders have indicated a willingness to provide the DIP Facility solely on the terms and conditions set forth in this Final Order and the DIP Facility Documents. The terms of the DIP Facility are fair and reasonable and reflect each Debtor's exercise of prudent business judgment consistent with its fiduciary duties, and are the best available under the circumstances.

(i) Arm's Length and Good Faith Negotiation. The Debtors, the DIP Agent, and the DIP Lenders have negotiated the terms and conditions of the DIP Facility, the DIP Facility Documents, and this Final Order in good faith and at arm's length, and any credit extended and loans made to the Debtors pursuant to this Final Order shall be, and hereby are, deemed to have been extended, issued, or made, as the case may be, in "good faith" within the meaning of section 364(e) of the Bankruptcy Code and the DIP Agent and the DIP Lenders shall be entitled to the full protection of section 364(e) of the Bankruptcy Code in the event this Final Order or any provision thereof is vacated, reversed, or modified, whether on appeal or otherwise. The Cortland Parties have acted in good faith regarding the DIP Facility and the Debtors' use of the Cash Collateral to fund the administration of the Debtors' estates and continued operation of their businesses.

H. The Prepetition Secured Facilities. Without prejudice to the rights of any other party, including the Committee, and without the subparagraphs of this Paragraph H constituting findings of fact, conclusions of law or orders of the Court, the Debtors acknowledge, admit, represent, stipulate and agree that:

(i) *Cortland TLA/TLB Facility.*

(A) Prior to the Petition Date, Cortland Capital Market Services LLC, as administrative agent and collateral agent (in such capacities, the "Cortland Agent"), and certain parties that are lenders under the Cortland TLA/TLB Financing Agreement (as defined below) (the "Cortland Lenders" and, together with the Cortland Agent, the "Cortland Parties") made loans and advances, and/or provided other financial accommodations, to or for the benefit of certain of the Debtors, consisting of (i) a tranche A term loan in the aggregate principal amount of $125,000,000 (the "Cortland Term Loan A"), (ii) a tranche B term loan in the aggregate initial principal amount of $125,000,000 (the "Cortland Term Loan B"), and (c) a tranche A-1 term loan in the aggregate principal amount of $15,000,000 (the "Cortland Term Loan A-1" and, collectively with the Cortland Term A Loan and the Cortland Term Loan B, the "Cortland TLA/TLB Facility") pursuant to (x) that certain Financing Agreement, dated as of May 30, 2012 (as the same may have been amended, restated, supplemented, or other otherwise modified to date, the "Cortland TLA/TLB Financing Agreement"), by and among RML and certain of its subsidiaries, as borrowers (the "Cortland Borrowers"), the Cortland Agent, the Cortland Lenders, and CB Agency Services, LLC ("CBA") as origination agent, and (y) all other agreements, documents and instruments executed and/or delivered to or in favor of the Cortland Agent and/or the Cortland Lenders in connection with the Cortland TLA/TLB Facility, including, without limitation, all security agreements, notes, guarantees, mortgages, Uniform

Commercial Code financing statements, and all other related agreements, documents and instruments, including any fee letters, executed and/or delivered in connection therewith or related thereto (all the foregoing, together with the Cortland TLA/TLB Financing Agreement, as all of the same have been supplemented, modified, extended, renewed, restated, and/or replaced at any time prior to the Petition Date, collectively, the "Cortland Term Loan Documents"). All "Obligations" (as defined in the Cortland Documents) arising under the Cortland Documents including, without limitation, all loans, advances, debts, liabilities, principal, accrued or hereafter accruing interest, fees, costs, charges, expenses (including any and all reasonable attorneys', accountants', appraisers' and financial advisors' fees and expenses that are chargeable, reimbursable or otherwise payable under the Cortland Documents), of any kind or nature, whether or not evidenced by any note, agreement, or other instrument, whether or not contingent, whenever arising, accrued, accruing, due, owing, or chargeable in respect of any of the Debtors' obligations under the Cortland Documents shall hereinafter be referred to collectively as the "Cortland Obligations."

(B) The Cortland Obligations are guaranteed by Relativity Holdco (collectively with the Cortland Borrowers, the "Cortland Obligors").

(C) Pursuant to the Cortland Documents, the Cortland Obligations are secured by (i) liens (the "Cortland Liens") on substantially all of the assets of the Cortland Borrowers; and (ii) a pledge by Relativity Holdco of 100% of its equity interest in RML (collectively, the "Cortland Collateral").

(ii) *Manchester Credit Facility.*

(A) Prior to the Petition Date, Manchester Securities Corporation ("Manchester Securities"), as lender under the Manchester Credit Agreement (as

defined below), made loans and advances, and/or provided other financial accommodations, to or for the benefit of certain of the Debtors (collectively, the "Manchester Credit Facility"), pursuant to (x) that certain Second Amended and Restated Credit Agreement, dated as of May 30, 2012 (as the same may have been amended, restated, supplemented, or other otherwise modified to date, the "Manchester Credit Agreement"), by and among RML and each of the other Cortland Borrowers, as borrowers (the "Manchester Borrowers"), and Manchester Securities, as lender, and (y) all other agreements, documents and instruments executed and/or delivered to or in favor of Manchester Securities in connection with the Manchester Credit Facility, including, without limitation, all security agreements, notes, guarantees, mortgages, Uniform Commercial Code financing statements, and all other related agreements, documents and instruments, including any fee letters, executed and/or delivered in connection therewith or related thereto (all the foregoing, together with the Manchester Credit Agreement, as all of the same have been supplemented, modified, extended, renewed, restated, and/or replaced at any time prior to the Petition Date, collectively, the "Manchester Securities Documents"). All "Obligations" (as defined in the Manchester Securities Documents) arising under the Manchester Securities Documents including, without limitation, all loans, advances, debts, liabilities, principal, accrued or hereafter accruing interest, fees, costs, charges, expenses (including any and all reasonable attorneys', accountants', appraisers' and financial advisors' fees and expenses that are chargeable, reimbursable or otherwise payable under the Manchester Securities Documents), of any kind or nature, whether or not evidenced by any note, agreement, or other instrument, whether or not contingent, whenever arising, accrued, accruing, due, owing, or chargeable in respect of any of the Debtors' obligations under the Manchester Securities Documents shall hereinafter be referred to collectively as the "Manchester Securities Obligations."

(B) The Manchester Securities Obligations are guaranteed by Relativity Holdco (collectively with the Manchester Borrowers, the "Manchester Obligors").

(C) Pursuant to the Manchester Securities Documents, the Manchester Securities Obligations are secured by liens (the "Manchester Securities Liens"), junior to the Cortland Liens, on substantially all of the assets of the Manchester Borrowers (as the same collateral securing the repayment of the Cortland TLA/TLB Facility) (collectively, the "Manchester Securities Collateral" and, together with the Cortland Collateral and subject to Paragraph 35, the "Primed Collateral")).

(iii) *Ultimates Facility.*

(A) Prior to the Petition Date, CIT Bank, N.A., formerly known as CIT Bank, N.A., formerly known as OneWest Bank, N.A., as administrative agent (in such capacity, the "Ultimates Agent"), and certain parties that are lenders under the Ultimates Credit Agreement (as defined below) (the "Ultimates Lenders" and, together with the Ultimates Agent, the "Ultimates Parties") made loans and advances, and/or provided other financial accommodations, to or for the benefit of certain Debtors (collectively, the "Ultimates Facility"), pursuant to (x) that certain Credit, Security, Guaranty and Pledge Agreement, dated as of September 25, 2012 (as the same may have been amended, restated, supplemented, or other otherwise modified to date, the "Ultimates Credit Agreement"), by and among RMLDD Financing, LLC ("RMLDD Financing"), as borrower, the Ultimates Lenders, certain of the Debtors, as Ultimates Guarantors (as defined below), and the Ultimates Agent, and (y) all other agreements, documents and instruments executed and/or delivered to or in favor of the Ultimates Lenders in connection with the Ultimates Facility, including, without limitation, all security agreements, notes, guarantees, mortgages, Uniform Commercial Code financing statements, and

all other related agreements, documents and instruments, including any fee letters, executed and/or delivered in connection therewith or related thereto (all the foregoing, together with the Ultimates Credit Agreement, as all of the same have been supplemented, modified, extended, renewed, restated, and/or replaced at any time prior to the Petition Date, collectively, the "Ultimates Documents"). All "Obligations" (as defined in the Ultimates Documents) arising under the Ultimates Documents including, without limitation, all loans, advances, debts, liabilities, principal, accrued or hereafter accruing interest, fees, costs, charges, expenses (including any and all reasonable attorneys', accountants', appraisers' and financial advisors' fees and expenses that are chargeable, reimbursable or otherwise payable under the Ultimates Documents), of any kind or nature, whether or not evidenced by any note, agreement, or other instrument, whether or not contingent, whenever arising, accrued, accruing, due, owing, or chargeable in respect of any of the Debtors' obligations under the Ultimates Documents shall hereinafter be referred to collectively as the "Ultimates Obligations."

(B) The Ultimates Obligations are guaranteed by certain of the Debtors (the "Ultimates Guarantors" and, collectively with RMLDD Financing, the "Ultimates Obligors").

(C) Pursuant to the Ultimates Documents, the Ultimates Obligations are secured by liens (the "Ultimates Liens") on the personal property of debtor RMLDD Financing and the Ultimates Guarantors (collectively, the "Ultimates Collateral").

(iv) *Production Loans.*

(A) On August 5, 2014, Armored Car Productions, LLC, as borrower (the "A&R Borrower"), entered into an Amended and Restated Loan and Security Agreement (the "A&R Armored Car LSA") with CIT Bank, N.A., formerly known as OneWest

Bank, N.A., as agent (the "A&R Agent"), and Surefire Entertainment Capital, LLC, as lender (the "A&R Lender" and, together with the A&R Agent, the A&R Parties"), for loans up to $24,090,353 (inclusive of fees and the Interest and Fee Reserve (as defined in the A&R Armored Car LSA)) for the purpose of acquiring, producing, completing, and delivering a motion picture not yet released, and the payment of related financing costs (the "Armored Car Loan"). The obligations under the Armored Car Loan (the "Armored Car Obligations") are secured by liens (the "Armored Car Liens") on all of the assets of the A&R Borrower, excluding the Excluded Collateral (as defined in the A&R Armored Car LSA) (collectively, the "Armored Car Collateral"). The Armored Car Loan is non-recourse to RML.

(B) On September 5, 2014, DR Productions, LLC, as borrower (the "DRP Borrower"), entered into a Loan and Security Agreement (the "DR LSA") with CIT Bank, N.A., formerly known as OneWest Bank, N.A., as agent and lender (the "DRP Parties"), for loans up to $14,688,456 (inclusive of fees and the Interest and Fee Reserve (as defined in the DR LSA)) for the purpose of acquiring, producing, completing, and delivering a motion picture not yet released, and the payment of related financing costs (the "DR Loan"). The obligations under the DR Loan (the "DR Obligations") are secured by liens (the "DR Liens") on all of the assets of the DRP Borrower, excluding the Excluded Collateral (as defined in the DR LSA) (collectively, the "DRP Collateral"). The DR Loan is non-recourse to RML.

(C) Prior to the Petition Date, Yuma, Inc. and J & J Project, LLC (the "Vine/Verite Borrowers" and, collectively with the A&R Borrower and the DRP Borrower, the "Production Obligors") entered into certain loan and security agreements (the "Vine/Verite Agreements" and, collectively with the A&R Armored Car LSA and the DR LSA, the "Production Documents") with Verite Capital Onshore Loan Fund LLC, which were

subsequently transferred Vine Film Finance Fund II LP (together, the "Vine/Verite Parties" and, collectively with the A&R Parties and the DRP Parties, the "Production Parties") in connection with the production of the films 3:10 TO YUMA and THE FORBIDDEN KINGDOM (the "Vine/Verite Loans" and, collectively with the Armored Car Loan and the DR Loan, the "Production Loans"). The obligations under the Vine/Verite Loans (the "Vine/Verite Obligations" and, collectively with the Armored Car Obligations and the DR Obligations, the "Production Obligations") are secured by valid liens (the "Vine/Verite Liens" and, collectively with the Armored Car Liens and the DR Liens, the "Production Liens") on the assets of the respective films (collectively, "Vine/Verite Collateral" and, collectively with the Armored Car Collateral and the DRP Collateral, the "Production Collateral"). The Vine/Verite Loans are non-recourse to the Vine/Verite Borrowers. As of the Petition Date, $67,553,907 ($35,976,970 outstanding with Yuma, Inc. and $31,576,937 outstanding with J&J Project, LLC) was outstanding under the Vine/Verite Loans.

(v) *P&A Facility.*

(A) On June 30, 2014, certain of RML's subsidiaries (the "P&A Borrowers"),[3] together with RML Distribution Domestic, LLC ("RMLDD") and RMLDD Financing, LLC, as accommodation pledgors, entered into that certain Second Amended and Restated Funding Agreement with Macquarie US Trading LLC, as agent (the "P&A Agent"), Macquarie Investments US Inc. ("MIUS"), as Post-Release Lender by assignment from the original Post-Release Lender, and RKA Film Financing, LLC ("RKA"), as Pre-Release Lender

[3] The "P&A Borrowers" include, without limitation, the following entities: (i) RML Lazarus Films, LLC; (ii) Armored Car Productions, LLC; (iii) RML Somnia Films, LLC; (iv) DR Productions, LLC; (v) RML Kidnap Films, LLC; (vi) 3 Days to Kill Productions, LLC; (vii) RML Oculus Films, LLC; (viii) Brick Mansions Acquisitions, LLC; (ix) RML Echo Films, LLC; (x) RML November Films, LLC; (xi) Best of Me Productions, LLC; (xii) Blackbird Productions, LLC; (xiii) RML WIB Films, LLC; and (xiv) Furnace Films, LLC.

and Pre-Release Lender Agent (as all such terms are defined therein) (collectively, the "P&A Lenders" and, collectively with the P&A Agent, the "P&A Parties" and, collectively with the Cortland Parties, Manchester Securities, the Ultimates Parties, and the Production Parties, the "Prepetition Secured Parties"), as amended by the First Amendment, dated August 26, 2014 (collectively with all the related loan and other documents identified therein, the "P&A Funding Agreement" and, collectively with the Cortland Documents, the Manchester Securities Documents, the Ultimates Documents, and the Production Documents, the "Prepetition Documents"), consisting of (i) specific loans each made in connection with an individual film prior to its theatrical release (the "Pre-Release P&A Loans") and (ii) specific loans each made in connection with an individual film in the calendar week following the theatrical release of a film (the "Post-Release P&A Loans" and, together with the Pre-Release P&A Loans, the "P&A Facility").

(B) RMLDD and RMLDD Financing (collectively with the P&A Borrowers, the "P&A Obligors") are also "Credit Parties" under the P&A Funding Agreement and co-obligors (with the P&A Borrowers) of the obligations under the P&A Facility (the "P&A Obligations").

(C) The P&A Obligations are secured by liens (the "P&A Liens" and, collectively with the Cortland Liens, the Manchester Securities Liens, the Ultimates Liens, and the Production Liens, the "Prepetition Liens") on the assets of the P&A Obligors, including the domestic distribution agreements for the films financed under the P&A Facility, the intellectual property, picture rights, and the receipts from such films (collectively, the "P&A Collateral" and, collectively with the Cortland Collateral, the Manchester Securities Collateral,

the Ultimates Collateral, and the Production Collateral, the "Prepetition Collateral"). The P&A Facility is non-recourse to RML.

(vi) *Prepetition Intercreditor Agreements*. Pursuant to the agreements set forth below ((A) through (I) collectively, the "Prepetition Priority Agreements") certain parties have defined their respective rights in the Prepetition Collateral:

(A) Amended and Restated Subordination Agreement, dated as of December 21, 2012 (the "Subordination Agreement"), between Manchester Securities and Manchester Library Company LLC ("Manchester Library"), Relativity Holdco, RML, each of the Cortland Borrowers, the Cortland Agent, CBA (as agent for a now fully repaid P&A facility), and the P&A Agent, pursuant to which the security interests and payment rights of the Manchester Credit Facility are subordinated to the Cortland TLA/TLB Facility and the P&A Facility.

(B) Third Amended and Restated Intercreditor and Subordination Agreement, dated as of June 30, 2014, between the P&A Agent and the Cortland Agent, pursuant to which the security interests and certain payment rights of the Cortland TLA/TLB Facility are subordinated to the P&A Facility.

(C) Subordination and Intercreditor Agreement, dated as of September 25, 2012, among the Ultimates Agent, the Cortland Agent, Manchester Securities and Manchester Library, pursuant to which the security interests and certain payment rights of the Cortland TLA/TLB Facility and the Manchester Credit Facility are subordinated to the Ultimates Facility.

(D) Amended and Restated Intercreditor Agreement (as may be further amended, restated, supplemented, or otherwise modified from time to time), dated as of March

17, 2015, by and among P&A Agent acting in its various capacities as administrative agent and collateral agent for the P&A Lenders, Relativity Film Finance, LLC, a Delaware limited liability company, UniFi Completion Guaranty Insurance Solutions, Inc. d/b/a UniFi Completion Guarantors, acting in its capacity as agent and attorney-in-fact for Homeland Insurance Company of New York, CIT Bank, N.A., formerly known as OneWest Bank, N.A., in its capacity as agent for itself and certain lenders party from time to time to the P&A Funding Agreement, Cortland Capital Market Services LLC, acting as collateral agent for the Cortland Lenders, and Manchester Securities Corp. (related to Armored Car Productions, LLC).

(E) Intercreditor Agreement, dated as of September 5, 2014 (as may be further amended, restated, supplemented, or otherwise modified from time to time), by and among Manchester Securities Corp., a California limited liability company, Cortland Capital Market Services LLC, acting as collateral agent for the Cortland Lenders, and CIT Bank, N.A., formerly known as OneWest Bank, N.A., in its capacity as agent for itself and certain lenders party from time to time to the DR LSA (related to Armored Car Productions, LLC).

(F) Interparty Agreement, dated as of August 5, 2014, by and among Armored Car Productions, LLC, a California limited liability company, CIT Bank, N.A., formerly known as OneWest Bank, N.A., in its capacity as agent for certain lenders, RML Distribution Domestic, LLC, a California limited liability company, Relativity Film Finance, LLC, a Delaware limited liability company, and UniFi Completion Guaranty Insurance Solutions, Inc. d/b/a UniFi Completion Guarantors, acting in its capacity as agent and attorney-in-fact for Homeland Insurance Company of New York.

(G) Amended and Restated Intercreditor Agreement (as may be further amended, restated, supplemented or otherwise modified from time to time), dated as of March

27, 2015, by and among P&A Agent acting in its various capacities as administrative agent and collateral agent, Relativity Film Finance, LLC, a Delaware limited liability company, UniFi Completion Guaranty Insurance Solutions, Inc. d/b/a UniFi Completion Guarantors, acting in its capacity as agent and attorney-in-fact for Homeland Insurance Company of New York, CIT Bank, N.A., formerly known as OneWest Bank, N.A., in its capacity as agent for itself and certain lenders, Cortland Capital Market Services LLC acting as collateral agent for the Cortland Lenders, and Manchester Securities Corp. (related to DR Productions, LLC).

(H) Intercreditor Agreement, dated as of September 5, 2014, by and among Manchester Securities Corp., a California limited liability company, Cortland Capital Market Services LLC, acting as collateral agent for the Cortland Lenders, and CIT Bank, N.A., formerly known as OneWest Bank, N.A., in its capacity as agent for itself and certain lenders(related to DR Productions, LLC).

(I) Amended and Restated Interparty Agreement, dated as of September 5, 2014, by and among DR Productions, LLC, a California limited liability company, CIT Bank, N.A., formerly known as OneWest Bank, N.A., in its capacity as agent for certain lenders, RML Distribution Domestic, LLC, a California limited liability company, Relativity Film Finance, LLC, a Delaware limited liability company, and UniFi Completion Guaranty Insurance Solutions, Inc. d/b/a UniFi Completion Guarantors, acting in its capacity as agent and attorney-in-fact for Homeland Insurance Company of New York.

(vii) *Other Liens.*

1. Viacom International Inc. and certain of its affiliates including Paramount Pictures, Corporation, New Pop Culture Productions Inc., New Remote Productions Inc., New 38th Floor Productions Inc. and

Black Entertainment Television LLC (collectively "Viacom") asserts that it holds a valid first priority lien in certain assets of the Debtors pursuant the terms of certain contractual relationships between it and the Debtors, including without limitation, (a) a Production Services Agreement dated as of December 17, 2010, as amended, with RelativityREAL, LLC and Catfish Picture Company LLC relating to, among other things, the Catfish TV Series (b) an Option/Quitclaim Agreement dated as of April 25, 2009, as amended, and related agreements with Relativity Media, LLC and Fighter LLC relating to, among other things, the "Fighter"; (c) an Option/Quitclaim Agreement dated as of September 14, 2012, as amended, and related agreements with Relativity Development, LLC relating to, among other things, "Loomis Fargo Heist" (now known as "Mastermind"); (d) a Domestic Airline and Military/Governmental Installations distribution agreement dated as of December 1, 2010, as amended, with RML Distribution Domestic, LLC; (e) a development and production services agreement with RelativityREAL, LLC dated as of October 27, 2014, as amended, relating to a project referred to as the "United RelativityREAL Project" and (f) several Acquisition Agreements with RML Distribution Domestic LLC that grant Viacom a license with respect to certain movies owned by one or more of the Debtors (the "Viacom Liens").

2. Technicolor, Inc. ("Technicolor") asserts that it and certain of the Debtors are parties to that certain Services Agreement dated as of December 29, 2010, as amended (the "Services Agreement"). Technicolor further asserts that (i) as part of the Services Agreement, certain of the Debtors granted a possessory lien (the "Technicolor Services Lien") on "all materials deposited by, or on behalf of, [Relativity Media, LLC] with Technicolor that are owned and subject to the control of Relativity," to secure payments under the Services Agreement and (ii) California Civil Code Section 3051 provides for a statutory lien in favor of Technicolor, dependent on possession, in all personal property of certain Debtors that Technicolor holds, and which was delivered to Technicolor to render service for such Debtors (the "Technicolor Statutory Lien" and, together with the Technicolor Services Lien the "Technicolor Lien"). Technicolor asserts that the Technicolor Lien is senior to any and all security interests in the collateral that it holds to secure the Technicolor Lien.

(viii) *No Other Liens.* As of the Petition Date, other than the security interests and liens expressly permitted under the Prepetition Documents, the security interests and liens as described with respect to certain guilds (the "Guild Liens") in the *Debtors' Motion For Interim And Final Orders Authorizing Payment Of Prepetition Residuals And Participations In The Ordinary Course Of Business*, the Viacom Lien and the Technicolor Lien there were no security interests or liens on the Prepetition Collateral other than the Prepetition Liens. Notwithstanding anything to the contrary in the Motion, DIP Credit Agreement, or this Final

Order, the Guild Liens may, in many instances, be the perfected and senior liens with respect to specific motion picture collateral, through prior recordation with the United States Copyright Office or UCC-1 financing statements, or by operation of intercreditor agreements with the Cortland Agent, Manchester, or the Ultimates Agent.

(ix) *Prepetition Priority Agreements*. Nothing in this Final Order or any Interim Order entered in connection herewith shall be deemed to modify, amend, or supersede the provisions of the Prepetition Priority Agreements with respect to the relative rights and priorities of all parties with any interest in the property which constitutes Prepetition Collateral. For the avoidance of doubt, the Cortland Collateral, the Manchester Securities Collateral, the Production Collateral and the P&A Collateral are and shall in all respects be limited with respect to the Prepetition Collateral to the respective lender's interest in the Prepetition Collateral as provided for in and subject to the terms of the Prepetition Priority Agreements.

I. Debtors' Stipulations. Without prejudice to the rights of any other party and without the subparagraphs of this Paragraph I constituting findings of fact, conclusions of law or orders of the Court, and subject to the rights of any Committee or other parties-in-interest as and to the extent set forth in Paragraph 34 below (which rights are subject to any other applicable limitations set forth in this Final Order), the Debtors acknowledge, admit, represent, stipulate and agree that:

(i) *Cortland Obligations Are Valid and Enforceable*. The Cortland Obligations are (A) legal, valid, binding, and enforceable against the Cortland Obligors, each in accordance with its terms, (B) not subject to any recoupment, rejection, avoidance, reductions, recharacterization, set-off, subordination (whether equitable, contractual or otherwise),

counterclaims, cross-claims, disallowance, impairment, defenses, or any other claims, causes of action, or challenges of any nature under the Bankruptcy Code, any other applicable law or regulation or otherwise by any person or entity, and (C) shall constitute "allowed claims" within the meaning of section 502 of the Bankruptcy Code. As of the Petition Date, the Debtors were truly and justly indebted and liable in respect of the Cortland Obligations, in an aggregate amount of not less than $366,032,117.35, inclusive of accrued but unpaid interest, accrued but uncapitalized interest, and other unpaid fees, but exclusive of other unpaid fees, charges, costs, and expenses, to the extent payable under the terms of the Cortland Documents.

(ii) *Cortland Liens Are Valid and Enforceable*. The Cortland Liens (A) constitute valid, binding, enforceable, nonavoidable, and properly perfected liens on the Cortland Collateral that secure all the Cortland Obligations, and (B) are not subject to any attachment, recoupment, rejection, avoidance, reductions, recharacterization, set-off, subordination (whether equitable, contractual, or otherwise), counterclaims, cross-claims, defenses, or any other claims, causes of action, or challenges of any nature under the Bankruptcy Code, any other applicable law or regulation or otherwise by any person or entity; and (D) were not otherwise subject to any liens, security interests, or other encumbrances other than liens expressly permitted under the Cortland Documents.

(iii) *No Claims Against Cortland Parties*. The Debtors have no valid claims (as such term is defined in section 101(5) of the Bankruptcy Code) or causes of action against the Cortland Parties with respect to the Cortland Documents, the Cortland Obligations, the Cortland Liens, or otherwise, whether arising at law or at equity, including, without limitation, any challenge, recharacterization, subordination, avoidance, or other claims arising under or pursuant to sections 105, 510, 541, or 542 through 553 of the Bankruptcy Code.

(iv) *Release.* The Debtors hereby forever, unconditionally and irrevocably release, discharge, and acquit the DIP Agent, the DIP Lenders, and the Cortland Parties, and each of their respective successors, assigns, affiliates, subsidiaries, parents, officers, shareholders, directors, employees, attorneys, and agents, past, present, and future, and their respective heirs, predecessors, successors, and assigns (collectively, the "Releasees") of and from any and all claims, controversies, disputes, liabilities, obligations, demands, damages, expenses (including, without limitation, reasonable attorneys' fees), debts, liens, actions, and causes of action of any and every nature whatsoever, whether arising in law or otherwise, and whether or not known or matured, arising out of or relating to, as applicable, the DIP Facility, the DIP Facility Documents, the Cortland Documents and/or the transactions contemplated hereunder or thereunder including, without limitation, (A) any so-called "lender liability" or equitable subordination claims or defenses, (B) any and all claims and causes of action arising under the Bankruptcy Code, and (C) any and all claims and causes of action with respect to the validity, priority, perfection, or avoidability of the DIP Liens, DIP Obligations, Cortland Liens, and Cortland Obligations (as each of the foregoing terms is defined herein), but excluding actions or omissions to act that are determined by a final and non-appealable court order to be due to Releasees' own respective gross negligence or willful misconduct. The Debtors further waive and release any defense, right of counterclaim, right of set-off, or deduction to the payment of the Cortland Obligations and the DIP Obligations that the Debtors now have or may claim to have against the Releasees, arising out of, connected with, or relating to any and all acts, omissions, or events occurring prior to the Bankruptcy Court entering this Final Order.

(v) *No Stipulations Relating to the Manchester Credit Facility.* For the avoidance of doubt, nothing in this Final Order shall be deemed as a stipulation by the

Debtors or any other party as to the validity or enforceability of the Manchester Credit Facility, the Manchester Securities Documents, the Manchester Securities Liens, or the Manchester Securities Obligations (all the foregoing, collectively, the "Manchester Matters"), and any and all claims, challenges, and causes of actions with respect to the Manchester Matters are hereby preserved to the fullest extent.

(vi) *Intercompany Loans*. Except as provided in the DIP Credit Agreement with respect to the Debtors' budgeted investment in Relativity EuropaCorp Distribution, LLC, the proceeds of the DIP Loans shall not be loaned or advanced to, or invested in (in each case, directly or indirectly), any entity that is not a subsidiary of a Debtor or DIP Guarantor (as defined below); the proceeds of the DIP Facility loaned or advanced to, or invested in, any subsidiary of the Debtor or a Guarantor shall be evidenced by an intercompany note, in form and substance reasonably satisfactory to the DIP Agent, for the full amount of the proceeds so loaned, advanced, or invested; such intercompany note shall be pledged to the DIP Agent, for the benefit of the DIP Lenders, to secure the DIP Obligations; and all intercompany liens of the Debtors and the Guarantors, if any, will be contractually subordinated to the liens securing the DIP Facility and to the Cortland Adequate Protection Liens (as defined below) on terms satisfactory to the DIP Agent. Nothing herein shall be deemed to modify, supersede, or amend the relative priorities among the parties to the Prepetition Priority Agreements with respect to the Prepetition Collateral.

J. Adequate Protection.

(i) The Cortland Parties shall be entitled to adequate protection of their interests in the Cortland Collateral (including the Cash Collateral), as set forth in Paragraph 12 below, in an amount equal to the aggregate diminution in value (if any) of the Cortland

Collateral resulting from the sale, lease, or use by the Debtors of the Cortland Collateral (including the Cash Collateral), and/or the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (such diminution, the "Cortland Adequate Protection Obligations").

(ii) Manchester Securities shall be entitled to adequate protection of their interests in the Manchester Securities Collateral (including the Cash Collateral), as set forth in Paragraph 12 below, in an amount equal to the aggregate diminution in value (if any) of the Manchester Securities Collateral resulting from the sale, lease, or use by the Debtors of the Manchester Securities Collateral (including the Cash Collateral), and/or the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (such diminution, the "Manchester Securities Adequate Protection Obligations").

(iii) The terms of the Adequate Protection (as defined below) are fair and reasonable, reflect the Debtors' prudent exercise of business judgment, and are sufficient to allow the Debtors' use of the Cortland Collateral (including the Cash Collateral) and to permit the DIP Liens and the DIP Superpriority Claims to prime the Cortland Liens on the Cortland Collateral and the Manchester Securities Liens on the Manchester Securities Collateral (in each case, subject to Paragraph 35), but not, for avoidance of doubt, the Production Liens on the Production Collateral, the P&A Liens on the P&A Collateral, or the Ultimates Liens on the Ultimates Collateral.

K. Consent to Adequate Protection. The Cortland Parties and Manchester Securities consent to the adequate protection and the priming provided for herein; provided, however, that the such consent to the priming, the use of Cash Collateral, and the sufficiency of the adequate protection provided for herein is expressly conditioned upon the entry of this Final Order (in form and substance satisfactory to them) relating to the DIP Facility as set forth herein

(and as provided by the DIP Lenders as set forth herein) and such consent shall not be deemed to extend to any other replacement financing or debtor-in-possession financing other than the DIP Loans provided under the terms of the DIP Facility Documents and the DIP Orders; and provided, further, that such consent shall be of no force and effect in the event this Final Order is not entered and the DIP Facility Documents and DIP Loans as set forth herein are not approved;

L. Order of the Bankruptcy Court. Based upon the foregoing findings, acknowledgements, and conclusions, and upon the record made before the Bankruptcy Court at the Interim Hearing, and good and sufficient cause appearing therefor:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. Motion Granted. The Motion is granted on a final basis, as set forth in this Final Order. Any objections to the Motion that have not previously been resolved or withdrawn are hereby overruled. Heatherden Securities LLC's objection to the Motion on the grounds that the Debtors' entry into the DIP Facility was an *ultra vires* action is overruled on a final basis for the reasons stated on the record at the Final Hearing. This Final Order shall immediately become effective upon its entry. To the extent that the terms of any of the DIP Facility Documents differ from the terms of this Final Order, this Final Order shall control.

2. Authority to Perform Under DIP Facility. Subject to Paragraph 35:

(a) The Debtors' continued performance under the DIP Facility is hereby approved. The Debtors are also authorized to continue to enter into such additional documents, instruments, and agreements delivered or executed from time to time in connection with the DIP Facility (such agreements, together with the DIP Credit Agreement and the DIP Orders, the "DIP Facility Documents"). The DIP Facility Agreements shall include guarantees from each of the Debtors (collectively, the "DIP Guarantors").

(b) To the extent not specifically provided in this Final Order, the Debtors are authorized to incur and perform the obligations arising under, and to otherwise comply with, the DIP Facility Documents and this Final Order.

(c) Following the execution of such documents (regardless of whether it was actual execution or deemed execution provided under this Final Order), each of the DIP Facility Documents shall constitute valid and binding agreements, enforceable against each Debtor that is party thereto, in accordance with the terms of the DIP Facility Documents.

(d) For the avoidance of doubt, any unadvanced availability under the Cortland Documents is hereby terminated.

3. Authority to Borrow and Use of Funds.

(a) The Debtors are hereby authorized, on an interim basis, to borrow DIP Loans in an amount not to exceed the Second Interim DIP Loan, pursuant to the terms of this Final Order and the other DIP Facility Documents.

(b) The Debtors are hereby authorized to use the Second Interim DIP Loan and the Cash Collateral pursuant to the DIP Credit Agreement and this Final Order, and in accordance with the 13-week budget delivered by the Debtors to the DIP Agent pursuant to the DIP Credit Agreement, including any variances to the line items contained in such budget that are permitted under the DIP Credit Agreement (as the same may be amended, supplemented, and/or updated in accordance with the DIP Credit Agreement, the "Budget"), provided that payments of prepetition obligations shall be made only as authorized in other Orders entered by the Bankruptcy Court. An amended Budget is annexed hereto as Exhibit 1. Within five (5) business days of delivery of the Budget to the DIP Agent, the Debtors shall deliver a copy of such budget to the U.S. Trustee and to the financial advisors and counsel for the Committee; and

provided further, any proposed amended, modified or updated Budget shall be provided to the Committee with an opportunity to object to any material changes within three (3) business days of receipt thereof.

(c) Section 7.01(a)(i) of the DIP Credit Agreement shall be amended to read in its entirety as follows: "by 5:00 p.m. (New York time) on each Tuesday after the Petition Date (or, if such day is not a Business Day, the Business Day immediately following such day), the Administrative Borrower shall deliver to Administrative Agent and Lenders and the Committee's counsel and financial advisor, a report, in form and substance reasonably satisfactory to Required Lenders, setting forth (x) for the immediately preceding week (ending on the Sunday immediately preceding the applicable Tuesday reporting deadline), the actual results as compared to the updated weekly forecast as reflected in the immediately preceding rolling 9-week forecast delivered by the Borrowers for such week by line item in the Budget, together with a reasonably detailed written explanation of all material variances, (y) for the cumulative period from the Petition Date through the immediately preceding Sunday, the cumulative actual results as compared to the budgeted results for such period by line item in the Budget, together with a reasonably detailed written explanation of all material variances, and (z) for the Budget period, the actual weekly results as well as the updated weekly forecast through the end of the Budget period by line item in the Budget as compared to the Budget, together with a reasonably detailed written explanation of all material variances;"

4. Limitation on Use of Funds.

(a) Notwithstanding anything herein to the contrary, no proceeds of the DIP Loans, the DIP Collateral, the Prepetition Collateral, or any portion of the Carve-Out may be used for the payment of the fees and expenses of any person incurred in (i) the initiation

or prosecution of any claims, causes of action, adversary proceedings, or other litigation against any DIP Secured Party or any Cortland Party for the purpose of challenging the amount, validity, extent, perfection, priority, characterization, or enforceability of or asserting any defense, counterclaim or offset to the DIP Obligations, the DIP Liens, the DIP Superpriority Claims, the Cortland Obligations, the Cortland Liens, the Cortland Administrative Expense Claim, and the Cortland Adequate Protection Liens; or (ii) asserting any other claims, causes of action, adversary proceeding, or other litigation or actions (including, without limitation, any Avoidance Actions) against any DIP Secured Party or any Cortland Party that would hinder or delay the assertion, enforcement, or realization on the DIP Collateral or the Cash Collateral in accordance with the DIP Facility Documents, the Cortland Documents, or this Final Order.

(b) Notwithstanding the foregoing, subject to entry of this Final Order, up to $275,000 in the aggregate proceeds of the DIP Loans, the DIP Collateral, the Prepetition Collateral, and/or the Carve-Out may be used to pay fees and expenses of the professionals retained by the Committee that are incurred in connection with investigating the matters covered by the stipulations contained in Paragraph I of this Final Order.

5. DIP Fees. Subject to the same procedures set forth in Paragraph 20 below with respect to professionals retained by the Cortland Parties, the Debtors are hereby authorized and directed to pay all fees, expenses, and other amounts payable under the DIP Facility Documents, including, without limitation, all recording fees, fees and expenses (whether incurred prepetition or postpetition) of the DIP Agent's bankruptcy counsel and the DIP Lenders' bankruptcy counsel (and such other special counsel, financial advisors, and other consultants as are retained by the DIP Agent and the DIP Lenders), and all of the other fees and all out-of-pocket costs and expenses of the DIP Secured Parties (all the foregoing, the "DIP Fees"), at such times as they are

earned and due under, and otherwise in accordance with the terms of, the DIP Facility Documents. None of such costs, fees, and expenses shall be subject to Bankruptcy Court approval or U.S. Trustee guidelines, and no recipient of any such payment shall be required to file with respect thereto any interim or final fee application with the Bankruptcy Court. All DIP Fees shall constitute DIP Obligations and the repayment thereof shall be secured by the DIP Collateral and afforded all of the priorities and protections afforded to the DIP Obligations under this Final Order and the DIP Facility Documents. Any outstanding DIP Fees shall be paid concurrently with any funding of a DIP Loan. Notwithstanding anything contained herein or in the DIP Credit Agreement to the contrary, the Exit Fee (as defined in the DIP Credit Agreement) (i) shall not be payable in the event that a party other than the Stalking Horse Bidder (as defined in the Motion) is the winning bidder in the 363 Sale (as defined in the DIP Credit Agreement) and (ii) shall only be payable on any amounts actually advanced, withdrawn from the DIP Loan Escrow Account (as defined below), and outstanding under the DIP Facility.

6. DIP Obligations. Subject to Paragraph 35, the DIP Obligations are (a) legal, valid, binding, and enforceable against the Debtors, each in accordance with its terms, (b) not subject to any recoupment, rejection, avoidance, reductions, recharacterization, set-off, subordination (whether equitable, contractual, or otherwise), counterclaims, cross-claims, defenses, or any other claims, causes of action, or challenges of any nature under the Bankruptcy Code, any other applicable law or regulation or otherwise, and (c) shall constitute "allowed claims" within the meaning of section 502 of the Bankruptcy Code.

7. DIP Superpriority Claims. Pursuant to sections 364(c)(1), 503, and 507 of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed superpriority administrative expense claims against each of the Debtors (other than the P&A Borrowers) (the "DIP

Superpriority Claims") with priority over any and all administrative expenses of the Debtors (including administrative expenses constituting Adequate Protection), whether heretofore or hereafter incurred, subject and subordinate only to the Carve-Out; provided, however, the DIP Superpriority Claims may not be paid out of the proceeds or property recovered, unencumbered or otherwise the subject of successful claims and causes of action under Chapter 5 of the Bankruptcy Code and similar laws, whether by judgment, settlement, or otherwise (collectively, the "Avoidance Actions" and any proceeds thereof and property received thereby, the "Avoidance Action Proceeds").

8. DIP Liens. As security for the repayment of the DIP Obligations, pursuant to sections 364(c)(2), (c)(3), and (d) of the Bankruptcy Code, the DIP Agent, on behalf of the DIP Lenders, is hereby granted: (i) pursuant to section 364(c)(2) of the Bankruptcy Code, a first priority security interest and lien on all tangible and intangible unencumbered assets of the Debtors (other than the P&A Borrowers) now owned or hereafter acquired (but excluding the Avoidance Actions and the Avoidance Action Proceeds); (ii) pursuant to section 364(d) of the Bankruptcy Code, a security interest and lien with respect to the Primed Collateral senior to the Cortland Liens and the Manchester Securities Liens; and (iii) pursuant to section 364(c)(3) of the Bankruptcy Code, a junior security interest and lien on any other tangible or intangible encumbered assets of the Debtors (other than the P&A Borrowers) now owned or hereafter acquired (the liens and security interests identified in subsections (i)-(iii) with respect to the DIP Obligations, collectively, the "DIP Liens" and the collateral with respect to which such DIP Liens attach, collectively, the "DIP Collateral"). Other than as set forth above, the DIP Liens shall be subject and subordinate to the Carve-Out. Notwithstanding anything contained herein or in the DIP Credit Agreement to the contrary, the DIP Liens shall include a pledge of the equity

interests in Yuma, Inc., J & J Project LLC, Relativity Fashion, LLC, the P&A Borrowers, RML Acquisitions VI, LLC, and Left Behind Acquisitions, LLC (collectively, the "Excluded Borrowers"); provided, however, that nothing in the Interim Order, the Second Interim Order or this Final Order shall grant liens on the assets of such Debtors or DIP Superpriority Claims or Bankruptcy Code section 503(b)(1) administrative expense claims or Cortland Administrative Expense Claims or Manchester Securities Administrative Expense Claims against the Excluded Borrowers, and, except with respect to RKA Entities,[4] the Excluded Borrowers shall not incur any additional indebtedness or permit any further encumbrances on their assets; provided, however, that nothing herein shall be deemed to modify, supplement or amend, and any such borrowings and/or liens shall at all times remain subject to, the Prepetition Priority Agreements.

(a) Upon entry of this Final Order, whether or not the DIP Secured Parties take any action to validate, perfect, or confirm perfection, the DIP Liens shall be deemed valid, perfected, allowed, enforceable, nonavoidable, and not subject to challenge, dispute, avoidance, impairment, or subordination (other than with respect to the Carve-Out or as set forth in this Final Order), at the time and as of the date of entry of this Final Order.

(b) The DIP Secured Parties are hereby authorized, but not required, to file or record, in any jurisdiction, financing statements, intellectual property filings, mortgages, deeds of trust, notices of lien or similar instruments, or take any other action in order to validate and perfect the DIP Liens. Upon the request of the DIP Agent, the Debtors, without any further consent of any party, are authorized and directed to take, execute, and deliver such instruments (in each case without representation or warranty of any kind except as set forth in the DIP

[4] The "RKA Entities" include the following entities: (i) RML Lazarus Films, LLC; (ii) Armored Car Productions, LLC; (iii) RML Somnia Films, LLC; (iv) DR Productions, LLC; and (v) RML Kidnap Films, LLC.

Facility Documents) to enable the DIP Agent or DIP Lenders to validate, perfect, preserve, and enforce the DIP Liens consistent with the terms of this Final Order. A certified copy of this Final Order may be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, deeds of trust, notices of lien or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Final Order for filing and recording.

(c) The Debtors are authorized and directed to, as soon as reasonably practicable following entry of this Final Order, add the DIP Secured Parties as additional insureds and loss payees on each insurance policy maintained by the Debtors which in any way relates to the DIP Collateral and shall, subject to the terms of this Final Order, distribute any proceeds recovered or received in accordance with the terms of this Final Order and the other DIP Facility Documents.

(d) So long as any of the DIP Obligations remain outstanding and have not been indefeasibly paid in full in cash, the Debtors shall not sell, transfer, lease, encumber, or otherwise dispose of any portion of the DIP Collateral, except as permitted by this Final Order, the DIP Facility Documents, as applicable, or as otherwise authorized by the Bankruptcy Court. All proceeds of DIP Collateral, shall be applied to the DIP Obligations and paid to the DIP Lenders in accordance this Final Order and the DIP Facility Documents.

9. DIP Loan Escrow Account.

(a) Any and all DIP Loans drawn under the DIP Facility shall be deposited into an escrow account maintained in the name of the DIP Agent at a financial institution that is selected by the Required Lenders (as defined in the DIP Credit Agreement) subject to the prior approval of the DIP Agent (which approval shall not be unreasonably

withheld) (the "DIP Loan Escrow Account") pursuant to escrow arrangements (the "DIP Loan Escrow Arrangements") on terms and conditions reasonably acceptable to the Required Lenders, the DIP Agent, and the DIP Borrowers. Disbursements from the DIP Loan Escrow Account shall be made in accordance with the DIP Loan Escrow Arrangements, the Budget, the DIP Credit Agreement, and this Final Order. The DIP Loan Escrow Account, such funds not being property of the Debtors' estates, may be held at a bank that is not among the authorized depositories identified by the United States Trustee.

(b) Without requiring further authority of the Bankruptcy Court, the DIP Agent shall have the right to disburse from the DIP Loan Escrow Account and pay any interest, fees, and expenses that constitute DIP Obligations pursuant to and in accordance with the DIP Facility Documents and this Final Order. Upon the occurrence of the "Final Maturity Date" (as defined in the DIP Credit Agreement), all proceeds remaining in the DIP Loan Escrow Account shall be applied by the DIP Agent to repay the DIP Obligations in accordance with the DIP Credit Agreement.

10. Carve-Out. Subject to the terms and conditions contained in this paragraph, the DIP Liens, DIP Superpriority Claims, and the Adequate Protection shall be subject to the following: (i) unpaid fees of the Clerk of the Bankruptcy Court and the U.S. Trustee pursuant to 28 U.S.C. § 1930(a) and 31 U.S.C § 3717; (ii) all reasonable fees and expenses incurred by a trustee under section 726(b) of the Bankruptcy Code in an amount not to exceed $100,000; (iii) fees and expenses for any professional retained pursuant to sections 327, 328, or 1103 of the Bankruptcy Code of the Debtors and any Committee appointed in the Chapter 11 Cases (the "Professional Fees") incurred at any time on or prior to the calendar day immediately prior to the date of the delivery of a Carve-Out Notice (as defined below) to the extent such Professional

Fees are consistent with the Budget and allowed by the Bankruptcy Court at any time, whether by interim order, procedural order, or otherwise; and (iv) Professional Fees incurred subsequent to the calendar day immediately following the date of delivery of the Carve-Out Notice in an aggregate amount not to exceed $1,500,000, to the extent such Professional Fees are consistent with the Budget and such professional and allowed by the Bankruptcy Court at any time, whether by interim order, procedural order or otherwise (the fees and expenses described in subsections (i)-(iv) and solely for the benefit of the professionals referenced therein, collectively, the "Carve-Out"). The foregoing shall not affect the right of the Debtors, the DIP Secured Parties, the Committee, the U.S. Trustee, or other parties in interest to object to the allowance and payment of any amounts covered by the Carve-Out. Payment of any portion of the Carve-Out shall not, and shall not be deemed to, (A) reduce any of the DIP Obligations or the Prepetition Obligations owed by the Debtors or (B) subordinate, modify, alter, or otherwise affect any of the DIP Liens or the Prepetition Liens. The "Carve-Out Notice" shall mean either the Event of Default Notice (as defined below) or such written notice provided by the DIP Agent to the Debtors that an "Event of Default" (as defined in the DIP Credit Agreement) has occurred and is continuing under the DIP Facility, which notice may be delivered only after the occurrence and during the continuation of an Event of Default under the DIP Facility, after giving effect to any applicable grace periods.

11. Limitation on Surcharging the Collateral, Waiver of Equities of the Case, and Marshalling.

(a) With the exception of the Carve-Out, neither the DIP Collateral nor the Cortland Collateral shall be subject to surcharge by the Debtors or any other party in interest pursuant to sections 105 and 506(c) of the Bankruptcy Code or otherwise without the

prior written consent of the secured party whose collateral would be impacted and no such consent shall be implied from any other action, inaction or acquiescence by such parties in this proceeding, including, without limitation, the DIP Secured Parties' funding of the Debtors' ongoing operations.

(b) The "equities of the case" exception set forth in section 552(b) of the Bankruptcy Code shall be deemed waived by the Debtors and all parties in interest, including the Committee, with respect to the Cortland Parties and the Cortland Collateral and to Manchester Securities and the Manchester Securities Collateral.

(c) None of the DIP Secured Parties nor the Cortland Parties shall be subject to the equitable doctrine of "marshalling" or any similar doctrine with respect to the DIP Collateral or the Cortland Collateral, as applicable.

(d) The DIP Agent and the DIP Lenders shall have the right to object to the Debtors' acceptance of any bid or collection of bids in the 363 Sale which would have Net Cash Proceeds (each, as defined in the DIP Credit Agreement) less than the amount necessary to repay the DIP Obligations in full on the date such 363 Sale is consummated.

12. Adequate Protection. As adequate protection, the Cortland Parties and Manchester Securities are hereby granted the following (collectively, "Adequate Protection"):

(i) *Adequate Protection Liens for Cortland Parties*. As security for the payment of the Cortland Adequate Protection Obligations in respect of the diminution, if any, of the Cortland Parties' interests in the Cortland Collateral, including for any use of the Cortland Collateral constituting Cash Collateral, the Cortland Agent, on behalf of itself and the Cortland Lenders, is granted a valid and perfected replacement security interest and lien (the "Cortland Adequate Protection Liens") in the DIP Collateral, which shall rank junior in

priority to the Carve-Out and the DIP Liens thereon. Upon entry of this Final Order, whether or not the Cortland Agent takes any action to validate, perfect, or confirm perfection, the Cortland Adequate Protection Liens shall be deemed valid, perfected, allowed, enforceable, nonavoidable, and not subject to challenge, dispute, avoidance, impairment, or subordination (other than as set forth in this Final Order and as provided in the Prepetition Priority Agreements), at the time and as of the date of entry of this Final Order. The Cortland Agent is hereby authorized, but not required, to file or record, in any jurisdiction, financing statements, intellectual property filings, mortgages, deeds of trust, notices of lien or similar instruments, or take any other action in order to validate and perfect the Cortland Adequate Protection Liens. Upon the request of the Cortland Agent, the Debtors, without any further consent of any party, are authorized and directed to take, execute, and deliver such instruments to enable the Cortland Agent to validate, perfect, preserve, and enforce the Cortland Adequate Protection Liens consistent with the terms of this Final Order. A certified copy of this Final Order may be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, deeds of trust, notices of lien or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Final Order for filing and recording.

(ii) *Administrative Expense Claim for Cortland Parties*. As security for the payment of the Cortland Adequate Protection Obligations, the Cortland Agent, on behalf of itself and the Cortland Lenders, is hereby granted an allowed administrative expense claim against the Debtors (other than the P&A Borrowers) (the "Cortland Administrative Expense Claim") under section 507(b) of the Bankruptcy Code, with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, subject and subordinate only to the DIP Superpriority Claims and the

Carve-Out, provided, however, that the Cortland Parties shall not receive or retain any payments, property, or other amounts in respect of the Cortland Administrative Expense Claim unless and until the indefeasible payment in full in cash of all DIP Obligations pursuant to the DIP Credit Agreement.

(iii) *Adequate Protection Payments to the Cortland Parties*. As additional adequate protection, the Cortland Parties shall be entitled to and the Debtors are directed to timely pay subject to Paragraph 20 below, the fees and expenses incurred by the Cortland Parties under the terms of the Cortland Documents including the fees and expenses (whether incurred before or after the Petition Date) of (i) counsel for the Cortland Agent, (ii) counsel for the Cortland Lenders, and (iii) one or more financial advisors and/or consultants for each of the Cortland Agent and the Cortland Lenders.

(iv) *Adequate Protection Lien for Manchester Securities*. As security for the payment of the Manchester Securities Adequate Protection Obligations in respect of the diminution, if any, of Manchester Securities' interests in the Manchester Securities Collateral, including for any use of the Manchester Securities Collateral constituting Cash Collateral, Manchester Securities is granted a valid and perfected replacement security interest and lien (the "Manchester Securities Adequate Protection Lien") in the DIP Collateral, which shall rank junior in priority to the Carve-Out, the DIP Liens, the Cortland Adequate Protection Liens, and the Cortland Liens thereon. Upon entry of this Final Order, whether or not Manchester Securities takes any action to validate, perfect, or confirm perfection, the Manchester Securities Adequate Protection Lien shall be deemed valid, perfected, allowed, enforceable, nonavoidable, and not subject to challenge, dispute, avoidance, impairment, or subordination (other than as set forth in this Final Order and as provided in the Prepetition Priority

Agreements), at the time and as of the date of entry of this Final Order. Manchester Securities is hereby authorized, but not required, to file or record, in any jurisdiction, financing statements, intellectual property filings, mortgages, deeds of trust, notices of lien or similar instruments, or take any other action in order to validate and perfect the Manchester Securities Adequate Protection Lien. Upon the request of Manchester Securities, the Debtors, without any further consent of any party, are authorized and directed to take, execute, and deliver such instruments to enable Manchester Securities to validate, perfect, preserve, and enforce the Manchester Securities Adequate Protection Lien consistent with the terms of this Final Order. A certified copy of this Final Order may be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, deeds of trust, notices of lien or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Final Order for filing and recording.

(v) *Administrative Expense Claim for Manchester Securities*. As security for the payment of the Manchester Securities Adequate Protection Obligations, Manchester Securities is hereby granted an allowed administrative expense claim against the Debtors (other than the P&A Borrowers) (the "Manchester Securities Administrative Expense Claim") under section 507(b) of the Bankruptcy Code, with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, subject and subordinate only to the DIP Superpriority Claims, the Carve-Out, and the Cortland Administrative Expense Claim, provided, however, that Manchester Securities shall not receive or retain any payments, property, or other amounts in respect of the Manchester Securities Administrative Expense Claim unless and until the indefeasible payment in full in cash of all DIP Obligations pursuant to the DIP Credit Agreement and the Cortland Obligations

under the Cortland Financing Agreement. Manchester Securities will not object to (and will consent to) a plan of reorganization that is accepted by the requisite affirmative vote of all classes composed of the secured claims of Senior Agents and the Senior Creditors (each, as defined in the Subordination Agreement) based upon the failure of such plan of reorganization to pay Manchester Securities' superpriority or other administrative expense claims in full in accordance with Section 1129(a)(9)(A) of the Bankruptcy Code.

13. Adequate Protection of Vine/Verite Parties. As Adequate Protection for the Vine/Verite Parties, the Debtors shall promptly direct Fintage Collection Account Management B.V. to distribute cash flows in accordance with the terms of the Collection Account Management Agreements for the Vine/Verite Parties (the "Fintage Cash Flows"). Pending receipt of the Fintage Cash Flows, and until November 1, 2015 (the "Standstill Period"), the Vine/Verite Parties agree to standstill from exercising rights or remedies with respect to the Vine/Verite Obligations, including relief from the automatic stay under section 362 of the Bankruptcy Code; provided, however, that the Vine/Verite Parties' agreement during the Standstill Period is without prejudice to its right post-Standstill Period to seek any relief from the Court or otherwise, and the mere passage of time that elapses as a result of the Standstill Period will not be used by any of the Parties if the Vine/Verite Parties seek relief from the Court post-Standstill Period.

14. Continued Paydown of Certain Prepetition Secured Parties. In each case solely in accordance with the terms of the relevant Prepetition Documents, the Production Parties shall be entitled to collect and receive Non-Primed Permitted Payments (as defined in the DIP Facility Documents) in reduction of the outstanding Production Obligations, and the P&A Parties shall receive Non-Primed Permitted Payments in reduction of the outstanding P&A Obligations

without the need for further orders of the Bankruptcy Court. For the avoidance of doubt, no proceeds of the DIP Loans or the Cortland Collateral (to the extent of the interests of the Cortland Parties in the Cortland Collateral) shall be used to reduce the outstanding Production Obligations or the P&A Obligations.

15. Viacom Lien. Notwithstanding anything to the contrary in the Motion, the DIP Credit Agreement or this Final Order, any security interests and liens granted under this Final Order or in the DIP Credit Agreement to the DIP Agent, on behalf of the DIP Lenders, in assets in which Viacom claims a lien or security interest shall be junior to the Viacom Lien, to the extent the Viacom Lien is a valid and perfected security interest in such assets.

16. Technicolor Liens. Notwithstanding anything to the contrary in the Motion, the DIP Credit Agreement, or this Final Order, the Technicolor Lien, to the extent it is a valid perfected first priority possessory security interest in certain assets of the Debtors, is not primed by any lien or other interest (including the DIP Liens, the Cortland Adequate Protection Liens, and the Manchester Securities Adequate Protection Lien) granted by, or in connection with, the DIP Credit Agreement or this Final Order. Rights to adequate protection in connection with the Technicolor Lien are unaffected by this Final Order.

17. Guild Liens. Notwithstanding anything to the contrary in the Motion, the DIP Credit Agreement, or this Final Order, perfected senior liens of the motion picture guilds, as described in Recitation H(viii), *supra*, are not primed, and in many instances may be the senior liens with respect to motion picture collateral. Rights to adequate protection in connection with the Guild Liens are unaffected by this Final Order, the Guild Liens shall be deemed "Permitted Liens" in the DIP Credit Agreement, and payments of residuals pursuant to the *Debtors' Motion For Interim And Final Orders Authorizing Payment Of Prepetition Residuals And Participations*

In The Ordinary Course Of Business are not precluded by the Motion, the DIP Credit Agreement, or this Final Order. Nothing in this Final Order shall authorize the use of cash collateral that constitutes collateral under each Guild Lien.

18. Europa Corp. Notwithstanding anything to the contrary in this Final Order, the Interim Orders, the DIP Facility Documents, or any other orders of this Court entered in these Chapter 11 Cases, (i) the motion picture currently titled "The Transporter Refueled" and any other motion picture designated by EuropaCorp Films USA, Inc. or any of its affiliates (collectively, "EC") as an "EC Picture" pursuant to that certain Limited Liability Company Agreement of Relativity EuropaCorp Distribution, LLC dated as of February 20, 2014, as amended as of the date hereof (each an "EC Picture"), it being understood, for the avoidance of doubt, that the motion pictures titled Three Days to Kill, Brick Mansions and The Family shall not constitute EC Pictures, and (ii) all of the proceeds derived from an EC Picture and all rights of payment and proceeds thereof from any source, including, but not limited to, Netflix, Inc., in respect of an EC Picture (collectively, the "EC Proceeds"), regardless of whether the EC Proceeds are held in accounts in the name of, or controlled by, any of the Debtors or other third parties, shall not constitute property of any Debtor or the estate of any Debtor, shall not constitute DIP Collateral or Collateral (as defined in the DIP Credit Agreement), and shall not be subject to any DIP Liens or Liens (as defined in the DIP Credit Agreement) of the DIP Secured Parties. In the event that any EC Proceeds, from any source, are received into any account other than an account owned and designated by EC (the "EC Account"), such funds shall be held in trust for EC and immediately transferred into the EC Account for the benefit of EC (and shall not be deemed to be commingled with, or the property of, any other party while in any other

account). The foregoing shall be binding on any successor to or assignee of (if any) any Debtor or affiliate of any Debtor.

19. Left Behind. Notwithstanding anything to the contrary in this Final Order, the Interim Orders or the DIP Facility Documents, all rights of Ollawood Productions, LLC and Left Behind Investments, LLC with respect to cash flows associated with the film Left Behind are hereby reserved.

20. Procedures for Invoices. The professionals retained by the Cortland Parties requesting payment from the Debtors pursuant to this Final Order shall comply with the following procedures. The professional must submit an invoice (redacted or summarized for privilege purposes) containing a summary of the work performed and the expenses incurred (which for the avoidance of doubt shall not be required to contain time entries) to (i) counsel to the Debtors, (ii) counsel to the Committee, and (iii) the U.S. Trustee, each of whom shall have ten (10) business days following receipt of such invoice to object to the invoice in question by providing a written notice setting forth the basis for the objection to the counsel to the Debtors and to the professional whose invoice is being challenged. If no timely objection shall have been received in accordance herewith, the Debtors shall pay such invoice within twelve (12) business days after such professional has delivered such invoice to the Debtors. If an objection to a professional's invoice is timely received in accordance herewith, the Debtors shall only be required to pay the undisputed amount of the invoice and the Bankruptcy Court shall have jurisdiction to determine the disputed portion of such invoice if the parties are unable to resolve the dispute consensually.

21. Automatic Stay.

(a) Without requiring further order from the Bankruptcy Court, the automatic stay provisions of section 362 of the Bankruptcy Code are vacated and modified to the extent necessary to permit the DIP Secured Parties to exercise, upon the occurrence and during the continuance of any Event of Default (as defined in the DIP Credit Agreement), all rights and remedies provided for in the DIP Facility Documents (including, without limitation and without prior notice, the right to freeze monies or balances or set off monies or balances in the DIP Loan Escrow Account, the right to charge default rate of interest and to terminate commitments under the DIP Facility), pursuant to and subject to the terms and conditions set forth therein and in this Final Order; provided, however, that prior to the exercise of any remedies against the DIP Collateral (other than those specifically set forth immediately above), the DIP Agent shall be required to provide five (5) business days prior written notice of the occurrence of an Event of Default and its intent to exercise rights under the DIP Facility Documents (such notice, the "Event of Default Notice") to the Debtors, counsel to the Debtors, counsel to the DIP Lenders, counsel to the Committee, counsel to the Cortland Agent, and the U.S. Trustee. After the DIP Agent has sent the Event of Default Notice, any obligation otherwise imposed on the DIP Secured Parties to provide any loans or advances under the DIP Facility shall be immediately suspended, unless otherwise ordered by the Court. Notwithstanding the occurrence of an Event of Default, the Final Maturity Date, and/or termination of the commitments under the DIP Credit Agreement, all of the rights, remedies, benefits, and protections provided to the DIP Secured Parties under the DIP Facility Documents and this Final Order shall survive. Upon receiving the Event of Default Notice, the Debtors, the Committee, and the U.S. Trustee shall be entitled to seek an expedited hearing with the Bankruptcy Court where the only issue that may be raised by such parties is to determine whether an Event of Default has occurred and is continuing under the

DIP Credit Agreement, and such parties shall not seek relief, including, without limitation, under section 105 of the Bankruptcy Code, to the extent such relief would in any way impair or restrict rights and remedies of the DIP Secured Parties set forth in the DIP Orders or the DIP Facility Documents, as applicable.

(b) If none of the Debtors, the Committee, or the U.S. Trustee contests the occurrence of an Event of Default within five (5) business days of receiving the Event of Default Notice as provided in the above Paragraph, or if the Bankruptcy Court rules against such party in such contest, the automatic stay under section 362 of the Bankruptcy Code shall be deemed to be lifted and the DIP Secured Parties shall be entitled to exercise all remedies set forth in, and in accordance with, the DIP Facility Documents.

(c) Notwithstanding anything contained in the DIP Credit Agreement to the contrary, the Debtors' failure to comply with the covenants set forth in Sections 8.02 and 8.03 of the DIP Credit Agreement shall not constitute an Event of Default; provided, however, that it shall be an Event of Default under the DIP Credit Agreement if (i) the Debtors, in the case of a 363 Sale, do not commence the auction on or before October 1, 2015, (ii) the Bankruptcy Court does not commence the 363 Sale Hearing (as defined in the DIP Credit Agreement) on or before October 5, 2015, (iii) the Bankruptcy Court does not enter the 363 Sale Order (as defined in the DIP Credit Agreement) on or before the day after the conclusion of the 363 Sale Hearing, (iv) the 363 Sale Order does not become a "final" order on or before the fourteenth (14th) day after the 363 Sale Order is entered, or (v) the closing of the 363 Sale does not occur on or before the fifteenth (15th) day after the conclusion of the 363 Sale Hearing.

(d) Notwithstanding anything contained in the DIP Credit Agreement to the contrary, it shall be an Event of Default under the DIP Credit Agreement if the Debtors

permit the Excluded Borrowers to incur additional debt or seek to encumber the assets of the Excluded Borrowers; provided, however, that the RKA Entities may incur additional debt or encumber their assets; provided further, however that nothing herein shall be deemed to modify, supplement or amend, and any such borrowings and/or liens shall at all times remain subject to, the Prepetition Priority Agreements. Absent the written consent of the DIP Lenders, the DIP Borrowers have no ability to invest in, make payments to or otherwise for the benefit of, or use any of the proceeds of the DIP Facility to fund any expense or liability of, any of the Excluded Borrowers.

(e) The definition of "Final Maturity Date" in the DIP Credit Agreement shall be amended to read in its entirety as follows: "the date which is the earliest of (i) the date that is 30 days after the date of entry of the Interim Order, if the Final Order has not been entered by the Bankruptcy Court on or prior to such date, (ii) the date that is fifteen (15) days after the conclusion of the 363 Sale Hearing, (iii) the earlier of the effective date and the date of the substantial consummation (as defined in Section 1101(2) of the Bankruptcy Code), in each case, of (if any) a plan of reorganization or a plan of liquidation, (iv) the consummation of a sale of all or substantially all of the Loan Parties' assets whether pursuant to the 363 Sale or otherwise, (v) the date the Bankruptcy Court orders the conversion of the Chapter 11 Cases of any of the Debtors to a Chapter 7 liquidation and (vi) such earlier date on which all Loans and other Obligations for the payment of money shall become due and payable in accordance with the terms of this Agreement and the other Loan Documents."

22. Credit Bid.

(a) Subject to the terms of the DIP Facility Documents and in accordance with their respective rights thereunder, the DIP Secured Parties or their assignees,

designees, or successors shall be permitted to credit bid some or all of the outstanding DIP Obligations (to the extent of the value of their secured interest) as consideration in any sale of the DIP Collateral (or any part thereof), without the need for further order of the Bankruptcy Court, and regardless of whether that sale is effectuated through section 363 or 1129 of the Bankruptcy Code, by a chapter 7 trustee under section 725 of the Bankruptcy Code, or otherwise.

(b) Subject to the indefeasible satisfaction and discharge in full of all DIP Obligations and the termination of the commitments under the DIP Credit Agreement, the Cortland Parties or their assignees, designees, or successors may credit bid some or all of the outstanding Cortland Obligations (to the extent of the value of the Cortland Parties' secured interest) as consideration in any sale of the assets or property of the Debtors (or any part thereof), to the extent such assets or property is Cortland Collateral or secured by Cortland Adequate Protection Liens, without the need for further order of the Bankruptcy Court, and regardless of whether that sale is effectuated through section 363 or 1129 of the Bankruptcy Code, by a chapter 7 trustee under section 725 of the Bankruptcy Code, or otherwise. For the avoidance of doubt, all DIP Obligations must be indefeasibly satisfied in full, and the commitments thereunder terminated, at or prior to the closing of any sale in which the Cortland Obligations is credit bid as any portion of the consideration paid in respect of such sale, without prejudice to the DIP Secured Parties' right to make a competing credit bid of up to the full amount of the DIP Obligations in any sale in which all or any part of the Cortland Obligations is credit bid.

(c) Nothing in this Final Order, the Second Interim Order the Interim Order shall affect the credit bid rights of the Vine/Verite Parties and the Vine/Verite Parties or their assignees, designees, or successors to credit bid some or all of the outstanding Vine/Verite Obligations as consideration in any sale of the assets or property of the Debtors (or any part

thereof), to the extent such assets or property is Vine/Verite Collateral, without the need for further order of the Bankruptcy Court, and regardless of whether that sale is effectuated through section 363 or 1129 of the Bankruptcy Code, by a chapter 7 trustee under section 725 of the Bankruptcy Code, or otherwise.

(d) Nothing in this Final Order, the Second Interim Order or the Interim Order shall affect the credit bid rights of any party to the extent of its security interest or otherwise alter, amend, modify or supersede the terms of any Prepetition Priority Agreement with respect to the rights and obligations of any party thereunder in connection with any credit bid. For the avoidance of doubt, nothing in this Final Order shall be deemed to supersede the provisions of any other order regarding the rights of any secured party with respect to any sale of such secured party's collateral.

23. For the sake of clarity, in the definition of Permitted Payments in the DIP Credit Agreement, the words "principal claim" shall be deemed substituted with the words "Production Obligations."

24. Notwithstanding anything to the contrary in this Final Order, the DIP Credit Agreement or otherwise, with respect to the Debtors' real property leases with Maple Plaza, L.P. and Beverly Place, L.P. (i) no DIP Liens, Cortland Adequate Protection Liens, or Manchester Securities Adequate Protection Lien shall be placed directly on those leases, but instead, such liens shall extend only to the proceeds of those leases, and (ii) access to the premises subject to those leases shall be limited to (a) existing rights under applicable non-bankruptcy law, (b) consent of the applicable landlord in writing, and (c) such other access rights as the Bankruptcy Court may grant pursuant to a subsequently filed motion where affected landlords are provided notice and the opportunity to object.

25. Modification of the DIP Facility Documents. The DIP Facility Documents may be modified or amended without further order of the Bankruptcy Court so long as such modification or amendment complies with, and is effectuated in accordance with, the DIP Credit Agreement; provided, however, that notice of any material modification or amendment (including any waiver of any Event of Default) shall be permitted only pursuant to an order of the Bankruptcy Court, which order may be sought on an expedited basis.

26. Modification of Automatic Stay. The automatic stay imposed under Bankruptcy Code section 362 is hereby modified and lifted to the extent necessary to effectuate the terms of this Final Order and the DIP Facility Documents.

27. Binding Effect. The provisions of this Final Order shall be binding upon and inure to the benefit of the DIP Secured Parties, the Cortland Parties, the Debtors, and each of the foregoing parties' respective successors and assigns, including any trustee hereafter appointed for the estate of any of the Debtors, whether in these Chapter 11 Cases or in the event of the conversion of any of the Chapter 11 Cases to a liquidation under chapter 7 of the Bankruptcy Code. Such binding effect is an integral part of this Final Order.

28. Amendment to DIP Credit Agreement. This Final Order shall amend and supersede the DIP Credit Agreement to authorize the Debtors to increase the size of the DIP Facility from $45,000,000 to $49,500,000, subject to the terms and conditions set forth in this Final Order and the DIP Credit Agreement.

29. Survival. The provisions of this Final Order and any actions taken pursuant hereto shall survive (x) the entry of any order (a) confirming any plan of reorganization or liquidation in any of the Chapter 11 Cases (and, to the extent not satisfied in full, in cash, the DIP Obligations shall not be discharged by the entry of any such order, or pursuant to section

1141(d)(4) of the Bankruptcy Code, each of the Debtors having hereby waived such discharge), (b) converting any of the Chapter 11 Cases to a chapter 7 case, or (c) dismissing any of the Chapter 11 Cases, and (y) the repayment or refinancing of the DIP Obligations. Unless otherwise provided in the DIP Facility Documents, the DIP Liens, DIP Superpriority Claims, the Cortland Liens, and the Adequate Protection shall continue in full force and effect notwithstanding the entry of any such order, and such claims and liens shall maintain their priority as provided by this Final Order, the DIP Facility Documents, and the Prepetition Documents to the maximum extent permitted by law until all of the DIP Obligations and the Cortland Obligations are indefeasibly paid in full, in cash, and discharged.

30. Access to the Debtors. In accordance with the provisions of access in the DIP Facility Documents, the Debtors shall (a) permit any representatives, agents, and/or employees of the DIP Agent and their respective professionals to have reasonable access to their premises and records during normal business hours (without unreasonable interference with the proper operation of the Debtors' businesses); and (b) cooperate, consult with, and provide to such representatives, agents, and/or employees all such information, documents, and records as they may reasonably request.

31. No Third Party Rights. Except as explicitly provided for herein, this Final Order does not create any rights for the benefit of any party, creditor, equity holder, or other entity other than the DIP Agent, the DIP Lenders, the Cortland Parties, and the Debtors, and their respective successors and assigns.

32. Subsequent Reversal. If any or all of the provisions of this Final Order or the DIP Facility Documents are hereafter modified, vacated, amended, or stayed by subsequent order of the Bankruptcy Court or any other court: (a) such modification, vacatur, amendment, or stay

shall not affect the validity of the DIP Obligations, the Cortland Adequate Protection Obligations, or the Manchester Securities Adequate Protection Obligations or the validity, enforceability, or priority of the DIP Liens, DIP Superpriority Claims, and the Adequate Protection or other protections authorized or created by this Final Order or the DIP Facility Documents; and (b) the DIP Obligations, the Cortland Adequate Protection Obligations, and the Manchester Securities Adequate Protection Obligations shall continue to be governed in all respects by the original provisions of this Final Order and the DIP Facility Documents, and the validity of any obligations, security interests, liens, or other protections described in this Paragraph shall be protected by section 364(e) of the Bankruptcy Code. For the avoidance of doubt, nothing in the First Interim Order or the Second Interim Order shall be deemed to have amended, modified, or superseded the terms of any Prepetition Priority Agreements, and the rights of the DIP Lenders pursuant to such Interim Orders are hereby made expressly subject to the provisions of this Final Order regarding the Prepetition Collateral and the Prepetition Priority Agreements.

33. Effect of Dismissal of the Chapter 11 Cases. If the Chapter 11 Cases are dismissed, converted, or substantively consolidated, then neither the entry of this Final Order nor the dismissal, conversion, or substantive consolidation of these Chapter 11 Cases shall affect the rights of the DIP Secured Parties and the Cortland Parties and Manchester Securities (as to Adequate Protection) under their respective documents or this Final Order, and all of the respective rights and remedies thereunder of the DIP Secured Parties and the Cortland Parties and Manchester Securities (as to Adequate Protection) shall remain in full force and effect as if the Chapter 11 Cases had not been dismissed, converted, or substantively consolidated. Notwithstanding the entry of an order dismissing any of the Chapter 11 Cases at any time, (a) the

DIP Liens and the DIP Superpriority Claims granted to and conferred pursuant to this Final Order and the DIP Facility Documents shall continue in full force and effect and shall maintain their priorities as provided in this Final Order until all DIP Obligations shall have been paid and satisfied in full; (b) the Adequate Protection granted to and conferred upon the Cortland Parties and Manchester Securities herein shall continue in full force and effect and shall maintain their priorities as provided in this Final Order until the Cortland Adequate Protection Obligations and Manchester Securities Adequate Protection Obligations, respectively, have been satisfied; and (c) the Bankruptcy Court shall retain jurisdiction, notwithstanding such dismissal, for the purpose of enforcing the DIP Liens, the DIP Superpriority Claims, the Cortland Adequate Protection Liens, and Manchester Securities Adequate Protection Lien granted in this Final Order and the DIP Transaction Documents.

34. Stipulations Binding. Subject to terms of this Final Order, the stipulations and admissions contained in this Final Order, including, without limitation, in Paragraph I of this Final Order, shall be binding on the Debtors' estates and any successor thereto (including, without limitation, any chapter 7 or chapter 11 trustee appointed or elected for any of the Debtors) and all parties in interest, including, without limitation, any Committee, unless such Committee or any other party in interest, in each case, with requisite standing granted by the Bankruptcy Court has timely commenced a contested matter or adversary proceeding (a "Challenge") (a) challenging the amount, validity, or enforceability of the Cortland Obligations, (b) challenging the perfection or priority of the Cortland Liens, (c) challenging the existence of any DIP Collateral, or (d) otherwise asserting any objections, claims, or causes of action (including, without limitation, any actions for preferences, fraudulent conveyances, or other avoidance power claims) against the Cortland Parties relating to the Cortland Liens, the Cortland

Obligations, or the Cortland Documents no later than September 27, 2015 at 11:59 p.m. (prevailing Eastern Time). If no such Challenge is timely commenced as of such dates then, without further order of the Bankruptcy Court, to the extent not theretofore indefeasibly repaid, satisfied, or discharged, as applicable, the claims, liens, and security interests of the Cortland Parties shall, without further order of the Bankruptcy Court, be deemed to be finally allowed for all purposes in the Chapter 11 Cases and any subsequent Chapter 7 cases and shall not be subject to challenge or objection by any party in interest as to validity, priority, amount or otherwise. Notwithstanding anything to the contrary herein (other than as set forth in Paragraph I), if no Challenge is timely commenced and sustained, the stipulations contained in Paragraph I of this Final Order shall be binding on the Debtors' estates, any Committee, and all parties in interest. If any such Challenge is timely commenced and/or sustained, the stipulations contained in Paragraph I shall nonetheless remain binding on the Debtors' estates, any Committee, and all parties in interest (other than as set forth in Paragraph I), except to the extent that such stipulations were expressly challenged in such Challenge. The Committee shall have standing and the requisite authority to pursue any Challenges. Nothing in this Final Order vests or confers on any Person (as defined in the Bankruptcy Code), other than the Committee with regards to a Challenge, with such standing or authority to pursue any cause of action belonging to the Debtors or their estates, including, without limitation, any Challenges. For the avoidance of doubt, as to the Debtors, all Challenges are hereby irrevocably waived and relinquished as of the Petition Date.

35. Notwithstanding anything in the DIP Orders or the DIP Facility Documents to the contrary: (a) none of the P&A Borrowers shall grant or be subject to any DIP Liens, DIP Superpriority Claims, Cortland Adequate Protection Liens, the Cortland Administrative Expense

Claim, the Manchester Securities Adequate Protection Lien, or the Manchester Securities Administrative Expense Claim and, for the avoidance of doubt, no Avoidance Actions or Avoidance Action Proceeds of the P&A Borrowers shall be available to or encumbered by any of the foregoing, provided that the equity interests of the P&A Borrowers shall constitute DIP Collateral; (b) any provisions in the DIP Facility Documents that limit or restrict (i) the incurrence of additional secured indebtedness (including superiority debtor-in-possession secured indebtedness), (ii) the sale or disposition of assets or property (or distribution of proceeds thereof), or (iii) any relief or modification of the automatic stay (including, without limitation, as set forth in Sections 7.01, 7.02, 8.04, and 9.01 of the DIP Credit Agreement), shall not apply to the P&A Borrowers, and the DIP Agent and DIP Lenders agree that no such events or provisions shall constitute an Event of Default under the DIP Facility; (c) Section 8.04 of the DIP Credit Agreement is amended, solely with respect to the P&A Borrowers, to provide that upon consummation of the 363 Sale including the P&A Collateral, the P&A Liens shall attach to the proceeds of the P&A Collateral, the Production Liens shall attach to the proceeds of the Production Collateral, and such proceeds shall be disbursed pursuant to further order of this Court; (d) for the avoidance of doubt, the Debtors' releases included in Paragraph I(iv) of this Final Order apply solely to the Debtors' claims and causes of action and not the independent, non-derivative claims or causes of action of any other party, and shall not constitute res judicata or collateral estoppel with respect to any independent, non-derivative claims or causes of action RKA, MIUS, the A&R Parties or the DR Parties may have; and (e) any and all rights and claims of RKA under the Third Amended and Restated Intercreditor and Subordination Agreement, dated as of June 30, 2014, between the P&A Agent and the Cortland Agent, or any other applicable intercreditor agreement, and any and all rights and claims of the A & R Parties and the

DR Parties under the applicable Prepetition Priority Agreements, are reserved and shall not be affected by the DIP Orders.

36. Proofs of Claim. Notwithstanding any order entered by the Bankruptcy Court in relation to the establishment of a bar date in any of the Chapter 11 Cases or in any other proceedings superseding or related to any of the Chapter 11 Cases (collectively, the "Successor Cases") to the contrary, the Cortland Agent and Cortland Lenders will not be required to file proofs of claim in any of the Chapter 11 Cases or Successor Cases for any claim described herein. Notwithstanding the foregoing, the Cortland Agent, on behalf of itself and the Cortland Lenders, and each of the Cortland Lenders, for their own benefit, are hereby authorized and entitled, in their sole discretion, but not required, to file (and amend and/or supplement, as they see fit) (i) a proof of claim and/or aggregate proofs of claim in each of the Chapter 11 Cases or Successor Cases for any claim described herein and/or (ii) a single proof of claim in the case of In re Relativity Fashion, LLC, Case No. 15-11989 (MEW), for any claim described herein, in which case such proof of claim will be deemed to have been filed against each of the Debtors. Any proof of claim filed by the Cortland Agent shall be deemed to be in addition and not in lieu of any other proof of claim that may be filed by any of the Cortland Lenders.

37. No Effect on Manchester Library Collateral. For the avoidance of doubt, nothing in this Final Order shall affect, prejudice, impair, prime or otherwise compromise the Manchester Collateral (as defined in the Subordination Agreement), which shall not secure the DIP Loans; provided, however, that to the extent such assets constitute property of the Debtors' estates and are subject to properly perfected prepetition liens in favor of the Cortland Lenders that are senior to liens on such collateral held by Manchester Library (but only to the extent such prepetition liens in favor of the Cortland Lenders are permitted under the Subordination Agreement), then

such assets shall constitute DIP Collateral and Primed Collateral under this Final Order. Subject to all of the Debtors' rights and remedies under the Bankruptcy Code, none of which are modified or abbreviated by this sentence, nor does anything in this sentence otherwise change the character of the prepetition agreements referred to in this sentence, or elevate them in any way to agreements that are being assumed pursuant to section 365 of the Bankruptcy Code, absent further Order of the Court, the Debtors and Manchester Library shall otherwise continue to perform under the Sales and Distribution Services Agreement, dated as of May 30, 2012 (the "Distribution Agreement"), and the ancillary agreements related thereto that are expressly provided for and contemplated by the Distribution Agreement, with respect to the Manchester Collateral.

38. Controlling Effect of Final Order. To the extent any provision of this Final Order conflicts with any provision of the Motion, any Prepetition Document, or any DIP Facility Document, the provisions of this Final Order shall control.

39. Retention of Jurisdiction. Notwithstanding any provision in the DIP Facility Documents or the Prepetition Documents, the Bankruptcy Court shall retain jurisdiction over all matters pertaining to the implementation, interpretation, and enforcement of this Final Order, the DIP Facility, or the DIP Facility Documents.

40. Notice Under the Final Order. Any notice required to be provided pursuant to this Final Order shall be provided to the following:

(a) **Sheppard Mullin Tichter & Hampton LLP,** 30 Rockefeller Plaza, New York, NY 10112 (Attn: Craig A. Wolfe, Esq., Malani J. Cademartori, Esq., and Blanka K. Wolfe, Esq.), proposed counsel to the Debtors;

(b) **Jones Day**, 222 East 41st Street, New York, NY 10017 (Attn: Richard L. Wynne, Esq. and Bennett L. Spiegel, Esq.), 555 South Flower Street, Fiftieth Floor, Los Angeles, CA 90071 (Attn: Erin N. Brady, Esq.), and 100 High Street, 21st Floor, Boston, MA 02110 (Attn: Dana Baiocco, Esq.), proposed counsel to the Debtors;

(c) **Kaye Scholer LLP**, Three First National Plaza, 70 West Madison Street, Suite 4200, Chicago, IL 60602 (Attn: Daniel J. Hartnett, Esq. and Seth J. Kleinman, Esq.), counsel to the DIP Agent and Cortland Agent;

(d) **Milbank, Tweed, Hadley & McCloy LLP**, 28 Liberty Street, New York, NY 10005 (Attn: Mark Shinderman, Esq., Dennis C. O'Donnell, Esq., and Haig Maghakian, Esq.), counsel to the DIP Lenders;

(e) **Togut, Segal & Segal LLP**, One Penn Plaza, Suite 3335, New York, NY 10119 (Attn: Albert Togut, Esq. and Frank A. Oswald, Esq.), proposed counsel to the Official Committee of Unsecured Creditors**;** and

(f) **The U.S. Trustee**, 201 Varick Street, New York, NY 10014 (Attn: Serene Nakano, Esq. and Susan Golden, Esq.).

41. Notice of the Final Order. The Debtors shall promptly mail or fax copies of this Final Order to the Notice Parties within three (3) business days of the date hereof.

Dated: August 27, 2015

s/Michael E. Wiles
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

Budget

WEEKLY CASH FLOW

Week #	Act 1 BK	Act 2 BK	Proj 3 BK	Proj 4 BK	Proj 5 BK	Proj 6 BK	Proj 7 BK	Proj 8 BK	Proj 9 BK	Proj 10 BK	Proj 11 BK	Proj 12 BK	Proj Exit BK	12 Wk Total w/o Exit	12 Wk Total w/ Exit
$ in '000s	8/7	8/14	8/21	8/28	9/4	9/11	9/18	9/25	10/2	10/9	10/16	10/23	Exit	Total	Total
Cash Flow From Operations															
Cash Sources															
Film Studio	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Relativity Television	4,230	734	830	897	2,258	1,830	1,353	2,480	2,507	5,239	5,957	988	-	29,302	29,302
Relativity Television (Escrow)	-	2,130	-	-	-	-	-	-	-	-	-	-	-	2,130	2,130
Other Receipts	-	-	-	-	-	-	-	-	900	-	-	-	-	900	900
Total Cash Sources	**4,230**	**2,864**	**830**	**897**	**2,258**	**1,830**	**1,353**	**2,480**	**3,407**	**5,239**	**5,957**	**988**	**-**	**32,332**	**32,332**
Operating Activities															
Participations & Residuals	-	-	-	-	-	-	-	-	(4,961)	-	-	-	(1,800)	(4,961)	(6,761)
Relativity Television - Production Spend	(181)	(56)	(1,494)	(3,660)	(2,173)	(2,047)	(1,561)	(1,604)	(2,987)	(2,211)	(2,611)	(884)	-	(21,470)	(21,470)
Relativity Television - Production Spend (Escrow)	-	-	(852)	(852)	(426)	-	-	-	-	-	-	-	-	(2,130)	(2,130)
Legal/Advisor Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RED Overhead	-	-	-	-	-	-	-	-	(1,500)	-	-	-	-	(1,500)	(1,500)
Overhead	(1,357)	(73)	(1,378)	(78)	(2,246)	(313)	(1,738)	(313)	(1,706)	(250)	(1,338)	(100)	-	(10,890)	(10,890)
Other Cash Outflows	(1)	(2)	-	-	-	-	-	-	-	-	-	-	-	(3)	(3)
Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financing Fees/Interest	-	-	(57)	(87)	(990)	-	-	(400)	-	-	-	(340)	-	(1,873)	(1,873)
Operating Cash Uses	**(1,539)**	**(131)**	**(3,781)**	**(4,677)**	**(5,835)**	**(2,360)**	**(3,299)**	**(2,317)**	**(11,154)**	**(2,461)**	**(3,949)**	**(1,324)**	**(1,800)**	**(42,828)**	**(44,628)**
Net Cash Flows from Operations	**2,691**	**2,733**	**(2,950)**	**(3,780)**	**(3,577)**	**(530)**	**(1,947)**	**163**	**(7,747)**	**2,777**	**2,007**	**(336)**	**(1,800)**	**(10,496)**	**(12,296)**
Cash Flow From Investing Activities															
Total Print and Advertising Spending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Production and Acquisition Spending	-	-	-	(200)	(200)	(200)	(200)	(200)	(1,000)	-	-	-	-	(2,000)	(2,000)
Net Cash Flows From Investing	**-**	**-**	**-**	**(200)**	**(200)**	**(200)**	**(200)**	**(200)**	**(1,000)**	**-**	**-**	**-**	**-**	**(2,000)**	**(2,000)**
Cash Flow From Financing Activities															
Net Cash Flows From Financing	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non-Operating Activities															
Professional Fees	(125)	-	-	(2,778)	(3,794)	-	-	(748)	(5,874)	-	-	(4,967)	(6,899)	(18,285)	(25,185)
US Trustee	-	-	-	-	-	-	-	-	-	-	-	(30)	-	(30)	(30)
Pre-Petition Disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Critical Vendor Disbursements	(1,122)	(1,982)	(1,421)	(764)	(465)	(365)	(265)	-	-	-	-	-	-	(6,385)	(6,385)
Exit and Administrative Fees	-	-	-	-	-	-	-	-	-	-	-	-	(1,000)	-	(1,000)
Post Confirmation Creditor's Trust	-	-	-	-	-	-	-	-	-	-	-	-	(2,000)	-	(2,000)
Wind-Down Fees*	-	-	-	-	-	-	-	-	-	-	-	-	(5,000)	-	(5,000)
Net Cash Flow from Non-Operating	**(1,247)**	**(1,982)**	**(1,421)**	**(3,542)**	**(4,259)**	**(365)**	**(265)**	**(748)**	**(5,874)**	**-**	**-**	**(4,997)**	**(14,899)**	**(24,700)**	**(39,600)**
Net Cash Flow	**1,444**	**751**	**(4,372)**	**(7,523)**	**(8,036)**	**(1,095)**	**(2,412)**	**(785)**	**(14,621)**	**2,777**	**2,007**	**(5,333)**	**(16,699)**	**(37,197)**	**(53,896)**
Cash Balances															
Beginning Balance	3,969	13,881	14,117	13,120	6,399	18,419	17,522	15,596	14,761	17,327	20,104	22,061	16,728	3,969	3,969
Net Cash Flow	1,444	751	(4,372)	(7,523)	(8,036)	(1,095)	(2,412)	(785)	(14,621)	2,777	2,007	(5,333)	(16,699)	(37,197)	(53,896)
DIP Account Draw	7,549	1,928	2,523	-	19,630	198	485	-	17,187	-	-	-	-	49,500	49,500
Net Change in Escrow disbursements/(receipts)	-	(2,130)	852	852	426	-	-	-	-	-	-	-	-	-	-
Change in Float	919	(313)	-	(50)	-	-	-	(50)	-	-	(50)	-	-	456	456
Ending Operating Cash Balance	**13,881**	**14,117**	**13,120**	**6,399**	**18,419**	**17,522**	**15,596**	**14,761**	**17,327**	**20,104**	**22,061**	**16,728**	**29**	**16,728**	**29**
Total Drawn on DIP Balance	**7,549**	**9,477**	**12,000**	**12,000**	**31,630**	**31,828**	**32,314**	**32,314**	**49,500**	**49,500**	**49,500**	**49,500**	**49,500**	**49,500**	**49,500**
Memo: Ending DIP Balance	**9,500**	**9,500**	**12,000**	**12,000**	**49,500**	**49,500**	**49,500**	**49,500**	**49,500**	**49,500**	**49,500**	**49,500**	**49,500**		

Note: * Up to $400k (four hundred thousand dollars) is specifically allocated for incremental UCC fees not otherwise reflected in this DIP budget

EXHIBIT D

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11**
CHASSIX HOLDINGS, INC., *et al.*,	:	**Case No. 15-10578 (MEW)**
Debtors.[1]	:	**(Jointly Administered)**

FINAL ORDER AUTHORIZING DEBTORS TO (A) OBTAIN POSTPETITION FINANCING PURSUANT TO 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) AND 364(e), (B) USE CASH COLLATERAL PURSUANT TO 11 U.S.C. § 363, AND (C) GRANT CERTAIN PROTECTIONS TO PREPETITION SECURED PARTIES PURSUANT TO 11 U.S.C. §§ 361, 362, 363, AND 364

Upon the motion (the "**Motion**"), dated March 12, 2015 (ECF No. 31), of Chassix Holdings, Inc. ("**Chassix Holdings**"), Chassix, Inc. ("**Chassix**") and certain of their direct and indirect subsidiaries, each as debtor and debtor-in-possession (collectively, including Chassix Holdings and Chassix, the "**Debtors**"), in the above captioned chapter 11 cases (the "**Chapter 11 Cases**") pursuant to sections 105, 361, 362, 363(c)(2), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e) of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (as amended, the "**Bankruptcy Code**"), and Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (as amended, the "**Bankruptcy Rules**"), and Rule 4001-2 of the Local Bankruptcy

[1]The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Automotive Properties of New York, LLC (4323); Chassix Holdings, Inc. (9249); UC Holdings, Inc. (5026); Chassix, Inc. (5728); Diversified Machine, Inc. (8762); Diversified Machine Bristol, LLC (5409); Chassix Georgia Machining, LLC (1940); DMI Columbus, LLC (1833); Diversified Machine Montague, LLC (4771); Diversified Machine, Milwaukee LLC (0875); DMI Edon LLC (1847); Mexico Products I, LLC (3039); DMI China Holding LLC (4331); Concord International, Inc. (3536); SMW Automotive, LLC (9452); Automotive, LLC (2897); Chassis Co. of Michigan, LLC (2692); AluTech, LLC (0012). The direct and indirect international subsidiaries of Chassix Holdings, Inc. are not debtors in these chapter 11 cases.

Rules (the "**Local Rules**") for the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**"), seeking:

(1) authority for the Debtors other than Chassix Holdings and UC Holdings, Inc. (collectively, the "**Borrowers**") to obtain postpetition financing consisting of (i) a senior secured non-amortizing asset based revolving credit facility in the principal amount of $150,000,000, including sub-facilities for swingline loans in an amount equal to $10,000,000 and letters of credit in an amount equal to $15,000,000 (the "**DIP ABL Facility**"), from PNC Bank, National Association, as Agent (in such capacity, the "**DIP ABL Agent**"), for itself or, if it elects to syndicate the loan, for a syndicate of banks, financial institutions and other institutional lenders (collectively, the "**DIP ABL Lenders**") and (ii) a senior secured non-amortizing new money term loan credit facility in the aggregate principal amount of $100,000,000 (the "**DIP Term Loan Facility**," and together with the DIP ABL Facility, the "**DIP Facilities**") from Cantor Fitzgerald Securities, as Agent (in such capacity, the "**DIP Term Loan Agent**" and together with the DIP ABL Agent, the "**DIP Agents**") for a syndicate of Prepetition Secured Noteholders (as defined below and such group, the "**DIP Term Loan Lenders**" and together with the DIP ABL Lenders, the "**DIP Lenders**");

(2) authority for Debtor Chassix Holdings together with Debtor UC Holdings, Inc. ("**UC Holdings**") and each direct or indirect subsidiary of UC Holdings that is a guarantor (collectively, the "**DIP Loan Parties**") under (i) that certain Secured Notes Indenture (as amended or modified from time to time, the "**Prepetition Secured Indenture**") between Chassix and U.S. Bank National

Association ("**U.S. Bank**"), as trustee (in such capacity, the "**Prepetition Indenture Trustee**"), dated July 23, 2013, and (ii) that certain Amended and Restated Loan, Security and Guaranty Agreement (as amended or modified from time to time, the "**Prepetition ABL Credit Agreement**") among UC Holdings, the Borrowers, BMO Harris Bank N.A. ("**BMO**"), as agent (in such capacity, the "**Prepetition ABL Agent**") and the lenders from time to time party thereto (the "**Prepetition ABL Lenders**"), dated July 23, 2013, to guarantee on a secured basis the Borrowers' obligations in respect of the DIP Facilities;

(3) authority for the Borrowers to execute and enter into the DIP Documents (as defined below) and to perform all such other and further acts as may be necessary or appropriate in connection with the DIP Documents;

(4) authority for the Borrowers to immediately use proceeds of the DIP ABL Facility and proceeds of the DIP Term Loan Facility, as provided for under the interim order entered on March 13, 2015 (ECF No. 67) (the "**Interim Order**"), in order to discharge in full the indebtedness outstanding under the Prepetition ABL Credit Agreement, including the cash collateralization of all outstanding letters of credit or letters of credit guaranties thereunder and any interest accrued through the date of discharge, and, upon such discharge, receive the simultaneous release and termination of the Prepetition ABL Lenders' liens, claims and encumbrances in accordance with the Interim Order, and provide working capital to the Debtors;

(5) authority for the Debtors to (i) use the Cash Collateral (as defined below) pursuant to sections 361, 362 and 363 of the Bankruptcy Code, and all other Prepetition Collateral (as defined below), in each case in accordance with the

relative priorities set forth more fully below, but subject in all respects to the Carve Out (as defined below), and (ii) provide adequate protection on the terms set forth in this Final Order (including, without limitation, subject to the priming liens granted hereunder, the Carve Out, and expiration of the Challenge Period (as defined below)) to (a) those purchasers and holders of 9 1/4% Senior Secured Notes due 2018 (the "**Prepetition Secured Notes**") issued by Chassix under the Prepetition Secured Indenture, whose liens and security interests are being primed by the DIP Facilities, and (b) the Prepetition ABL Agent and the Prepetition ABL Lenders in respect of contingent obligations that comprise a portion of the unpaid amounts of the Prepetition ABL Debt (as defined below);

(6) approval of the intercreditor arrangements (the "**Intercreditor Arrangements**") set forth in **Exhibit "1"** annexed hereto as among the DIP ABL Facility, the DIP Term Loan Facility and the Prepetition Secured Indenture with respect to the DIP ABL Priority Collateral (as defined below) and the DIP Term Loan Priority Collateral (as defined below), and other property of the Debtors, if any, on which a lien is granted pursuant to the DIP Documents, the Interim Order, and this Final Order (collectively, the "**DIP Collateral**");

(7) authority for the Debtors to pay any and all fees, costs and expenses in connection with conversion of the DIP Term Loan Facility into a post-emergence exit term loan facility upon the Debtors' emergence, on the terms and conditions set forth in the DIP Term Loan Facility and any related documents and fee letters thereto (the "**Exit Term Loan Facility**");

(8) the granting of *pari passu* superpriority claims under section 364(c)(1) of the Bankruptcy Code to the DIP Lenders payable from, and having recourse to, all prepetition and postpetition property of the Debtors' chapter 11 estates and all proceeds thereof (including, upon entry of this order granting the relief requested in the Motion on a final basis (the "**Final Order**"), any Avoidance Proceeds (as defined below)), subject to the Carve Out (as defined below) and the terms of this Final Order;

(9) subject only to and effective upon entry of this Final Order, the limitation of the Debtors' right to surcharge against collateral pursuant to section 506(c) of the Bankruptcy Code or otherwise;

(10) modification of the automatic stay set forth in section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms of the DIP Documents and this Final Order; and

(11) a waiver of any applicable stay with respect to the effectiveness and enforceability of this Final Order (including under Bankruptcy Rule 6004).

The interim hearing on the Motion having been held on March 13, 2015 (the "**Interim Hearing**"), and this Court having entered the Interim Order granting the Debtors, among other things: (a) authority to enter into the DIP Documents with the DIP Lenders pursuant to which the Borrowers were authorized to obtain, and the DIP Loan Parties were authorized to guarantee, an initial aggregate principal amount of up to $125,000,000 of the DIP ABL Facility and an initial aggregate principal amount of up to $80,000,000 of the DIP Term Loan Facility; (b) authority to discharge in full the Prepetition ABL Debt then outstanding; (c) authority to use the Cash Collateral as set forth therein; (d) authority to provide adequate protection, replacement

liens, and superpriority claims under sections 503(b) and 507(b) of the Bankruptcy Code to the Prepetition ABL Agent and Prepetition ABL Lenders, including for any aggregate diminution in the value of their interests in the Prepetition Collateral, including any Cash Collateral; and (e) authority to provide adequate protection and a superpriority 507(b) claim to the holders of the Prepetition Secured Notes (the "**Prepetition Secured Noteholders**") for and equal in amount to any aggregate diminution in the value of their interests in the Prepetition Collateral, including any Cash Collateral. The Bankruptcy Court scheduled, pursuant to Bankruptcy Rule 4001 and Local Rule 4001-2, the final hearing (the "**Final Hearing**") to consider entry of this Final Order on April 10, 2015 at 11:00 a.m. (Eastern Time).

Based upon all of the pleadings filed with the Bankruptcy Court, the evidence presented at the Interim Hearing, the Final Hearing, and the entire record herein; and there being no objections to the relief sought in the Motion that have not previously been withdrawn, waived, settled, or resolved; and it appearing that the relief requested in the Motion is in the best interests of the Debtors and the Debtors' estates and creditors; and the Debtors having provided notice of the Motion as set forth in the Motion, the Interim Order, this Final Order and the Affidavit of Service filed on March 24, 2015 (ECF No. 131), and it appearing that no further or other notice of the Motion or the Interim Order need be given; and after due deliberation and consideration, and sufficient cause appearing therefor:

IT IS FOUND, DETERMINED, ORDERED AND ADJUDGED, that:

(1) *Commencement Date*. Commencing on March 12, 2015 (the "**Commencement Date**"), each of the Debtors filed voluntary petitions under chapter 11 of the Bankruptcy Code in the Bankruptcy Court. The Debtors' Chapter 11 Cases have been

consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015(b).

(2) *Debtors-in-Possession*. The Debtors are authorized to continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

(3) *Creditors Committee Formation*. On March 19, 2015, the United States Trustee for the Southern District of New York (the "**U.S. Trustee**") appointed the Official Committee of Unsecured Creditors in these Chapter 11 Cases (the "**Creditors Committee**").

(4) *Disposition*. The Motion is granted in accordance with the terms of this Final Order. Any objections to the Motion with respect to the entry of this Final Order that have not been withdrawn, waived or settled, and all reservations of rights included therein, are hereby denied and overruled.

(5) *Jurisdiction*. The Bankruptcy Court has core jurisdiction over the Chapter 11 Cases, the parties affected by the Motion, and the Debtors' property pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper before the Bankruptcy Court pursuant to 28 U.S.C. §§ 1408 and 1409.

(6) *Notice*. Notice of the Motion, the relief requested therein and the Final Hearing was served by the Debtors on (i) the U.S. Trustee; (ii) the proposed counsel for the Creditors Committee; (iii) the holders of the five largest secured claims against the Debtors (on a consolidated basis); (iv) the holders of the forty (40) largest unsecured claims against the Debtors (on a consolidated basis); (v) the attorneys for BMO; (vi) the attorneys for U.S. Bank National Association, as trustee under the Prepetition Secured Indenture; (vii) the attorneys for Delaware Trust Company, as successor trustee under the Unsecured Notes Indenture (defined below);

(viii) the attorneys for the Informal Committee of Noteholders; (ix) the attorneys for the DIP ABL Lenders; (x) the attorneys for the DIP Term Loan Lenders; (xi) the OEM Customers; (xii) the attorneys for Platinum Equity Advisors, LLC; (xiii) the Securities and Exchange Commission; (xiv) the Internal Revenue Service; and (xiv) the United States Attorney's Office for the Southern District of New York (collectively, the "**Notice Parties**"). Under the circumstances, the notice given by the Debtors of the final relief requested in the Motion and of the Final Hearing constitutes due and sufficient notice thereof and complies with Bankruptcy Rules 4001(b) and (c) and 9014, and Local Rule 4001-2, and no further notice of the relief sought at the Final Hearing is necessary or required.

(7) *Debtors' Stipulations*. Without prejudice to the rights of any other party (but subject to the limitations contained in paragraph 27 below), and without the subparagraphs of this paragraph 7 constituting findings of fact or orders of the Bankruptcy Court**,** the Debtors admit, stipulate, and agree that:

(a) as of the Commencement Date, the Debtors were indebted and liable to the Prepetition ABL Lenders and to the Prepetition Secured Noteholders as follows:

(i) to the Prepetition ABL Agent and the Prepetition ABL Lenders, without objection, defense, counterclaim or offset of any kind, in the aggregate principal amount of $138,188,867.16, in respect of loans and advances made and the cash collateralization of all outstanding letters of credit or letters of credit guaranties thereunder, plus, unliquidated amounts including interest thereon and, as set forth in the Pay-Off of Amended and Restated Loan, Security and Guaranty Agreement letter, dated March 12, 2015, inclusive of fees, expenses, charges and other obligations incurred in connection therewith as provided under the Prepetition ABL Credit Agreement (the "**Prepetition ABL Debt**");

(ii) the Borrowers' obligations under the Prepetition ABL Credit Agreement are guaranteed by UC Holdings and certain of its direct and indirect subsidiaries (collectively, the "**Prepetition Loan Parties**"), and the Prepetition ABL Credit Agreement is, subject to certain exclusions described in the Prepetition ABL Credit Agreement, secured by a first-priority lien on substantially all existing and future accounts receivable, inventory, cash, deposit accounts, investments in cash and cash equivalents, and other permitted investments, letter of credit rights relating to inventory and the accounts receivable of the Prepetition Loan Parties and all proceeds of the foregoing (collectively, the "**Prepetition ABL Priority Collateral**"). Subject to certain exclusions described in the Prepetition ABL Credit Agreement, the Prepetition ABL Credit Agreement is also secured by a second-priority lien on substantially all real estate assets, intellectual property, equipment, capital stock (limited in the case of any foreign subsidiaries, to 65% of the voting stock of the Debtors' first tier foreign subsidiaries) and certain other collateral of the Prepetition Loan Parties other than the Prepetition ABL Priority Collateral (collectively, the "**Notes Priority Collateral**" and together with the Prepetition ABL Priority Collateral, the "**Prepetition Collateral**," and such liens and security interests, collectively the "**Prepetition ABL Security Interests**"). The Prepetition ABL Security Interests (i) are valid, binding, perfected, enforceable liens and security interests in the Prepetition Collateral, (ii) are not subject to avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law;

(iii) to the Prepetition Secured Noteholders, without objection, defense, counterclaim or offset of any kind, in the aggregate principal amount plus accrued and unpaid interest thereon of $396,192,637.24, together with unliquidated amounts for fees, expenses (including, without limitation, any attorneys', accountants', appraisers', and financial

advisors' fees that are chargeable or reimbursable under the Prepetition Secured Indenture and related documents or pursuant to existing engagement letters as of the Commencement Date with certain Prepetition Secured Noteholders in connection with transactions contemplated hereby), charges and other obligations incurred prior to the Commencement Date in respect of the Prepetition Secured Notes (the "**Prepetition Secured Notes Debt**" and together with the Prepetition ABL Debt, the "**Prepetition Indebtedness**");

(iv) the Prepetition Secured Notes Debt is guaranteed by the Prepetition Loan Parties and the Prepetition Secured Notes are secured by a first-priority lien on all Notes Priority Collateral and a second-priority lien on all Prepetition ABL Priority Collateral (collectively, the "**Notes Security Interests**" and together with the Prepetition ABL Security Interests, the "**Prepetition Security Interests**"). The Notes Security Interests (i) are valid, binding, perfected, enforceable liens and security interests in the Prepetition Collateral, (ii) are not subject to avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law, and (iii) are subject and subordinate only to valid, perfected and unavoidable liens permitted under the Prepetition Financing Documents (as defined below) to the extent such permitted liens are senior to or *pari passu* with the liens of the Prepetition Indenture Trustee and the Prepetition Secured Noteholders on the Prepetition Collateral;

(b) the Prepetition Indebtedness constitutes the legal, valid, binding, non-avoidable and enforceable obligations of the Debtors, other than Chassix Holdings, and the Prepetition Security Interests are valid, binding, properly perfected, non-avoidable, and enforceable liens on and security interests in the Prepetition Collateral, subject to the terms set forth in that certain Intercreditor Agreement (the "**Prepetition Intercreditor Agreement**")

between BMO, in its capacity as ABL Collateral Agent, and U.S. Bank, in its capacity as Notes Collateral Agent, dated July 23, 2013;

(c) Chassix Holdings' obligations under the Indenture (as amended or modified from time to time, the "**Unsecured Notes Indenture**") with Delaware Trust Company, as successor trustee, pursuant to which Chassix Holdings issued $150 million in aggregate principal amount of 10%/10.75% of Senior PIK Toggle Notes due 2018, collectively with all other expenses, charges and other obligations incurred in connection therewith as provided under the Unsecured Notes Indenture, constitute the legal, valid, binding, and enforceable obligations of Chassix Holdings.

(d) the Prepetition Indebtedness and the Prepetition Security Interests are not and shall not be subject to any attachment, contest, attack, rejection, recoupment, reduction, defense, counterclaim, setoff, offset, recharacterization, avoidance or other claim (as "claim" is defined by section 101(5) of the Bankruptcy Code), impairment, disallowance, counterclaim, subordination (whether equitable, contractual, or otherwise, except for any lien subordination contemplated herein), cause of action or any other challenge of any nature under the Bankruptcy Code (including, without limitation, under chapter 5 of the Bankruptcy Code), under applicable nonbankruptcy law or otherwise (including, without limitation, any applicable state Uniform Fraudulent Transfer Act or Uniform Fraudulent Conveyance Act);

(e) in accordance with the terms and conditions set forth in the Interim Order and the DIP Documents, a portion of the Debtors' initial draw under the DIP Facilities has been used to discharge in full the non-contingent indebtedness outstanding under the Prepetition ABL Credit Agreement, including the cash collateralization of all outstanding letters of credit or letter of credit guarantees thereunder and any interest accrued through the date of discharge; and,

subject to the terms and conditions herein (including, without limitation, the priming liens granted hereunder, the Carve Out, and expiration of the Challenge Period (as defined below)), adequate protection replacement liens at any time granted to the Prepetition ABL Agent and the Prepetition ABL Lenders by the Bankruptcy Court shall, unless otherwise ordered by the Bankruptcy Court, (i) continue to secure any unpaid portion of any Prepetition ABL Debt (including, without limitation, any Prepetition ABL Debt subsequently reinstated after the repayment thereof because such payment (or any portion thereof) is required to be returned or repaid to the Debtors or the DIP Lenders and the liens securing the Prepetition ABL Debt shall have not been avoided), and (ii) be (A) junior and subordinate in all respects to the DIP Lenders' liens on and security interests in the DIP Collateral (as defined below and including, without limitation, the DIP Liens granted under the Interim Order, this Final Order, and the DIP Documents), (B) senior in priority to the Adequate Protection Liens (as defined below) on the DIP ABL Priority Collateral granted to the Prepetition Indenture Trustee under the Interim Order and this Final Order, and (C) junior in priority to the Adequate Protection Liens (as defined below) on the DIP Term Loan Priority Collateral granted under the Interim Order and this Final Order to the Prepetition Indenture Trustee (collectively, such liens and security interests of the Prepetition Secured Parties are hereinafter referred to as the "**Contingent Adequate Protection Liens**")), and any such Prepetition ABL Debt described in clause (i) of this subparagraph is hereinafter referred to as the "**Contingent Prepetition ABL Debt**");

(f) In the event that the Prepetition ABL Agent or any Prepetition ABL Lenders (each in their capacities as such) are ordered by the Bankruptcy Court to disgorge, refund or in any manner repay to the Debtors or their estates any amounts (the **"Disgorged Amounts**") leading to Contingent Prepetition ABL Debt, the Disgorged Amounts, unless

otherwise ordered by the Bankruptcy Court, shall be placed in a segregated interest bearing account in which the Prepetition ABL Agent (on behalf of the Prepetition ABL Lenders) shall have the first lien upon, pending a further final, non-appealable order of a court of competent jurisdiction regarding the distribution of such Disgorged Amounts (either returning the Disgorged Amounts to the Prepetition ABL Agent and the Prepetition ABL Lenders, distributing such amounts to the Debtors or otherwise); provided that, to the extent the Disgorged Amounts are returned to the Prepetition ABL Agent or any Prepetition ABL Lender, they shall receive such amounts plus any interest accrued at the non-default rate set forth in the Prepetition ABL Credit Agreement;

(g) none of the Prepetition ABL Agent, the Prepetition ABL Lenders, the Prepetition Indenture Trustee, the Prepetition Secured Noteholders (collectively, the "**Prepetition Secured Parties**"), the DIP Agents or the DIP Lenders are control persons or insiders of the Debtors by virtue of any of the actions taken with respect to, in connection with, related to or arising from the Prepetition ABL Credit Agreement, the Prepetition Secured Indenture, the Prepetition Intercreditor Agreement (collectively with all security, pledge and guaranty agreements and all other documentation executed in connection with any of the foregoing, each as amended, supplemented, or otherwise modified, the "**Prepetition Financing Documents**"), or the DIP Documents;

(h) the Debtors do not have any claims, challenges, counterclaims, causes of action, defenses, recoupment, disgorgement, or setoff rights related to the Prepetition Indebtedness or the Prepetition Financing Documents, whether arising under the Bankruptcy Code or applicable nonbankruptcy law, on or prior to the date hereof, against the Prepetition Secured Parties, and the Debtors waive, for themselves and their non-Debtor subsidiaries and

affiliates, any right to challenge or contest in any way the perfection, validity, and enforceability of the Prepetition Security Interests or the validity or enforceability of the Prepetition Indebtedness and the Prepetition Financing Documents;

(i) the liens granted to the DIP Agents on behalf of the DIP Lenders shall be valid, enforceable and non-avoidable liens against the Debtors and the DIP Loan Parties; and

(j) subject to the reservation of rights set forth in paragraph 27 below, including the expiration of the Challenge Period, the Debtors and the DIP Loan Parties hereby absolutely and unconditionally forever waive, discharge and release each of the Prepetition ABL Agent, the Prepetition Indenture Trustee and the Prepetition Secured Parties and each of their respective present and former predecessors, successors, assigns, affiliates, members, partners, managers, current and former equity holders, agents, attorneys, financial advisors, consultants, officers, directors, employees and other representatives thereof (all of the foregoing, solely in their respective capacities as such, collectively, the "**Prepetition Secured Party Releasees**") of any and all "claims" (as defined in the Bankruptcy Code), counterclaims, actions, causes of action (including, without limitation, causes of action in the nature of "lender liability"), defenses, demands, debts, accounts, contracts, liabilities, setoff, recoupment or other offset rights against any and all of the Prepetition Secured Party Releasees, whether arising at law or in equity, relating to and/or otherwise in connection with the applicable Prepetition Indebtedness, the Prepetition Security Interests, Prepetition Collateral or the debtor-creditor relationship among any of the applicable Prepetition ABL Agent, Prepetition Indenture Trustee or the Prepetition Secured Parties, on the one hand, and the Debtors, on the other hand, from the beginning of time until immediately preceding the entry of the Interim Order, including, without limitation, (i) any

recharacterization, subordination, avoidance or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state law, federal law or municipal law and (ii) any right or basis to challenge or object to the amount, validity or enforceability of the applicable Prepetition Indebtedness or any payments made on account of the applicable Prepetition Indebtedness, or the validity, enforceability, priority or non-avoidability of the applicable Prepetition Security Interests securing the applicable Prepetition Indebtedness. For the avoidance of doubt, Platinum Equity Advisors, LLC, its affiliated entities and investment funds and each of their respective present and former predecessors, successors, assigns, affiliates, members, partners, managers, current and former equity holders, agents, attorneys, financial advisors, consultants, officers, directors, employees and other representatives thereof (collectively, "**Platinum**") are not Prepetition Secured Party Releasees.

(k) effective upon entry of the Interim Order, the Debtors absolutely and unconditionally forever waive, discharge and release each of the DIP Agents and the DIP Lenders and each of their respective present and former predecessors, successors, assigns, affiliates, members, partners, managers, current and former equity holders, agents, attorneys, financial advisors, consultants, officers, directors, employees and other representatives thereof (all of the foregoing, solely in their respective capacities as such, collectively, the "**DIP Party Releasees**") of any and all "claims" (as defined in the Bankruptcy Code), counterclaims, actions, causes of action (including, without limitation, causes of action in the nature of "lender liability"), defenses, demands, debts, accounts, contracts, liabilities, setoff, recoupment or other offset rights against any and all of the DIP Party Releasees, whether arising at law or in equity, relating to and/or otherwise in connection with the applicable DIP Obligations, DIP Liens, DIP Collateral or the debtor-creditor relationship among any of the applicable DIP ABL Agent, DIP

Term Loan Agent, DIP ABL Lenders or the DIP Term Loan Lenders, on the one hand, and any of the Debtors, on the other hand, from the beginning of time until immediately preceding the entry of the Interim Order, including, without limitation, (i) any recharacterization, subordination, avoidance or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state law, federal law or municipal law and (ii) any right or basis to challenge or object to the amount, validity or enforceability of the applicable DIP Obligations or any payments made on account of the applicable DIP Obligations, or the validity, enforceability, priority or non-avoidability of the applicable DIP Liens securing the applicable DIP Obligations; provided that, nothing in the Interim Order or herein shall relieve the DIP Party Releasees from fulfilling their obligations or commitments with the DIP Facilities or operate as a release related thereto.

(l) In no event shall the DIP Lenders or the Prepetition Secured Parties be subject to the equitable doctrine of "marshalling" or any similar doctrine with respect to the DIP Collateral or the Prepetition Collateral, as applicable.

(8) *Cash Collateral*. For purposes of this Final Order, the term "**Cash Collateral**," including, without limitation, all cash proceeds of Prepetition Collateral, shall have the meaning ascribed in section 363(a) of the Bankruptcy Code.

(9) *Use of Cash Collateral*. The Debtors are hereby authorized, subject to the terms and conditions of the DIP Documents, this Final Order, and in accordance with the Budget and the 13-Week Projection (each defined below), to use the Cash Collateral, during the period from the Commencement Date through termination of the DIP Obligations pursuant to the DIP Documents, solely for working capital and general corporate purposes, including, without limitation, in connection with the Debtors' transfer of funds to their non-Debtor foreign

subsidiaries if authorized by separate Order of this Court and under the Budget and the 13- Week Projection; provided that the Prepetition Secured Parties are directed to promptly turn over to the Debtors any and all Cash Collateral they received or may hold, except that the Prepetition ABL Agent shall not be required to turnover the Cash Collateral that was pledged to secure outstanding letters of credit issued by the Prepetition ABL Agent as set forth in the Cash Collateral Security Agreement executed by certain Debtors in favor of the Prepetition ABL Agent, until such outstanding letters of credit have expired or terminated, the obligations relating thereto have been paid and satisfied in full, and the earlier of (x) the passage of thirty (30) days after expiration or termination and (y) the originals of the expired or terminated letters of credit are returned to the Prepetition ABL Agent, at which time the Prepetition ABL Agent is directed to promptly turn over to the Debtors any and all Cash Collateral pledged by the Debtors. The Debtors' right to use the Cash Collateral shall terminate automatically, provided that, notwithstanding anything to the contrary herein or in the DIP ABL Credit Agreement, the DIP ABL Agent shall be required to comply with the notice requirement in subsection (c) of this paragraph 9, on the earlier of:

(a) the Scheduled Termination Date, as defined in the DIP ABL Credit Agreement (as defined below);

(b) the Maturity Date, as defined in the DIP Term Loan Agreement (as defined below); and

(c) the occurrence of an Event of Default under any DIP Documents; pursuant to which, either the DIP ABL Agent in respect of an Event of Default under the DIP ABL Credit Agreement or the DIP Term Loan Agent in respect of an Event of Default under the DIP Term Loan Agreement (as defined below), provides the Debtors, with a copy to the

respective counsel of the Debtors and the Creditors Committee, five (5) days' prior written notice (which shall run concurrently with any notice provided under the applicable DIP Documents);

(10) The evidence presented at the Interim Hearing, the Final Hearing, and the entire record before the Court is sufficient to establish the following findings regarding the DIP Facilities and use of Cash Collateral.

(a) *Good Cause*. Good cause has been shown for entry of this Final Order.

(b) The Debtors need to obtain the full amount of the financing provided under the DIP Facilities and use the Cash Collateral, in order to, among other things, permit the orderly continuation of their businesses, preserve the going concern value of the Debtors, maintain business relationships with vendors, suppliers and customers, to satisfy payroll obligations, to make capital expenditures, to pay for certain costs and expenses related to the Debtors' Chapter 11 Cases, and to satisfy other working capital and operational needs of the Debtors. The access of the Debtors to sufficient working capital and liquidity made available through the use of Cash Collateral, incurrence of new indebtedness for borrowed money and other financial accommodations is vital to the preservation and maintenance of the going concern value of the Debtors' estates and to a successful reorganization of the Debtors.

(c) The Debtors are unable to obtain financing, under existing circumstances, on more favorable terms from sources other than the DIP Lenders pursuant to, and for the purposes set forth in, the DIP Documents and are unable to obtain adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense. The Debtors are also unable to obtain secured credit allowable under sections

364(c)(1), 364(c)(2) and 364(c)(3) of the Bankruptcy Code without the Debtors (i) granting the DIP Lenders, subject to the Carve Out as provided for herein, the DIP Liens (as defined below) and the Superpriority Claims (as defined below), in each case on the terms and conditions set forth in the Interim Order, this Final Order, and the DIP Documents, and (ii) discharging the Prepetition ABL Debt in full, as occurred upon entry of the Interim Order, such discharge being a requirement by the DIP ABL Agent for the DIP ABL Facility (and absent discharging the Prepetition ABL Debt in full upon entry of the Interim Order, would have been unable to obtain the consent of the Prepetition ABL Lenders to the provisions of the Interim Order).

(d) The terms of the DIP Facilities and the use of the Cash Collateral pursuant to the Interim Order and this Final Order are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, are appropriate under the circumstances, and constitute reasonably equivalent value and fair consideration.

(e) The DIP Facilities have been negotiated in good faith and at arm's length among the Debtors, the DIP ABL Agent, the DIP Term Loan Agent, and the DIP Lenders, and all of the Debtors' obligations and indebtedness authorized by the Interim Order or this Final Order and arising under, in respect of or in connection with the DIP Facilities and the DIP Documents and the rights granted under the Interim Order or this Final Order, including, without limitation, (i) all loans made to, and all letters of credit issued for the account of the Debtors pursuant to that certain Superpriority Secured Debtor-In-Possession ABL Loan, Security and Guaranty Agreement, dated as of March 12, 2015 (as amended, supplemented, refinanced or otherwise modified from time to time not in violation of this Final Order) among the Debtors, the lenders from time to time party thereto, the DIP ABL Agent and the other parties from time to time party thereto, substantially in the form attached as **Exhibit "C"** to the Motion (the "**DIP**

ABL Credit Agreement"), (ii) all loans made to the Debtors pursuant to the Superpriority Secured Debtor-In-Possession Term Loan, Security and Guaranty Agreement, dated as of March 12, 2015 (as amended, supplemented, refinanced or otherwise modified from time to time not in violation of this Final Order) among the Debtors, the lenders from time to time party thereto, the DIP Term Agent and the other parties from time to time party thereto, substantially in the form attached as **Exhibit "D"** to the Motion (the "**DIP Term Loan Agreement**" and, together with the DIP ABL Credit Agreement, including, in each case, any exhibits attached thereto and including, without limitation, all security agreements, all related or ancillary documents and agreements, and any mortgages contemplated thereby, the "**DIP Documents**"), and (iii) any obligations and indebtedness of the Debtors arising under or in connection with the DIP Documents and this Final Order now and hereafter owing to the DIP Agents or any DIP Lender (all of the foregoing in clauses (i), (ii) and (iii) collectively, the "**DIP Obligations**"), shall be deemed to have been extended by the DIP ABL Agent and the DIP ABL Lender in respect of the DIP ABL Facility, and the DIP Term Loan Agent and the DIP Term Loan Lenders in respect of the DIP Term Loan Facility, each in "good faith" as such term is used in section 364(e) of the Bankruptcy Code, and in express reliance upon the protections set forth therein, and shall be entitled to the full protection of section 364(e) of the Bankruptcy Code, in the event that this Final Order or any provision hereof is vacated, reversed or modified on appeal or otherwise.

(f) Based upon the record before the Bankruptcy Court, the terms of the use of Cash Collateral and the adequate protection granted in the Interim Order and this Final Order have been negotiated at arms' length and in good faith, as that term is used in section 364(e) of the Bankruptcy Code, and are in the best interests of the Debtors, their estates and creditors and are consistent with the Debtors' fiduciary duties.

(g) *Discharge of the Prepetition ABL Debt.* Immediately following the entry of the Interim Order and as part of the initial borrowing under the DIP Facilities, the Debtors were required to and used a portion of the proceeds from the DIP ABL Facility and the DIP Term Loan Facility, in accordance with the DIP Documents and the Interim Order, to discharge in full the Prepetition ABL Debt then outstanding. The Prepetition ABL Security Interests were automatically released and terminated upon such discharge. The Prepetition ABL Agent shall deliver or cause to be delivered, at the Debtors' cost and expense, any termination statements, releases and/or assignments in favor of the DIP ABL Agent, the DIP ABL Lenders or other documents, in each case as reasonably requested by the Debtors or the DIP ABL Agent in order to effectuate and/or evidence the release and termination of the Prepetition ABL Security Interests.

(h) The Debtors have requested immediate entry of this Final Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2) and Local Rule 4001-2. Absent granting the relief set forth in this Final Order, the Debtors' estates will be immediately and irreparably harmed. Consummation of the DIP Facilities and the use of the Cash Collateral in accordance with this Final Order and the DIP Documents are, therefore, in the best interest of the Debtors' estates.

(11) *Superpriority Claims*.

(a) Pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed superpriority senior administrative expense claims against the Debtors (the "**Superpriority Claims**"), which Superpriority Claims in respect of the DIP ABL Facility and the DIP Term Loan Facility shall rank *pari passu* with each other, with priority (except in respect of the Carve Out) over any and all administrative expenses, adequate

protection claims and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 726, 1113 or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, which Superpriority Claims shall be payable from and have recourse to all unencumbered property of the Debtors and their estates and all proceeds thereof. Any payments, distributions or other proceeds received on account of such Superpriority Claims shall be promptly delivered to the applicable DIP Agent (on a *pari passu* basis) to be applied or further distributed by the applicable DIP Agent on account of the applicable DIP Obligations in such order as is specified in this Final Order and the applicable DIP Documents. The Superpriority Claims shall be entitled to the full protection of section 364(e) of the Bankruptcy Code in the event that this Final Order or any provision hereof is vacated, reversed or modified, on appeal or otherwise.

(b) For purposes hereof, the "**Carve Out**" shall mean an amount equal to the sum of: (i) all fees required to be paid to the clerk of the Bankruptcy Court and to the U.S. Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the notice set forth in (iii) below); (ii) all reasonable fees and expenses of up to $100,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in (iii) below); and (iii) allowed and unpaid claims for unpaid fees, costs, and expenses (the "**Professional Fees**") incurred by persons or firms retained by the Debtors or the Creditors Committee (but excluding fees and expenses of third party professionals

employed by such Creditors Committee's members), whose retention is approved by the Bankruptcy Court pursuant to section 327 and 1103 of the Bankruptcy Code (collectively, the "**Professional Persons**"), subject to the terms of the Interim Order, this Final Order and any other interim or other compensation order entered by the Bankruptcy Court that are incurred (A) at any time before or on the first business day following delivery by any DIP Agent of a Carve Out Trigger Notice (as defined below), whether allowed by the Bankruptcy Court prior to or after delivery of a Carve Out Trigger Notice (the "**Pre-Trigger Date Fees**"), subject to any limits by this Final Order or otherwise on Professional Fees permitted to be incurred in connection with any permitted investigations of claims and defenses against any Prepetition Secured Parties pursuant to this Final Order; and (B) after the first business day (the "**Trigger Date**") after the occurrence and during the continuance of an Event of Default (as defined in the DIP ABL Credit Agreement or the DIP Term Loan Agreement) and delivery of notice (the "**Carve Out Trigger Notice**") thereof (which may be by email) to the Debtors, the Debtors' counsel, the United States Trustee, and lead counsel for the Creditors Committee, in an aggregate amount not to exceed $2,000,000 (the amount set forth in this clause (iii)(B) being the "**Carve Out Cap**"); provided that, nothing herein shall be construed to impair the ability of any party to the DIP Documents to object to the fees, expenses, reimbursement or compensation described in clause (iii) above, on any grounds.

(c) The DIP ABL Agent may impose a reserve against the Borrowing Base (as defined in the DIP ABL Credit Agreement) in an amount equal to the estimated total amount of all items that comprise the Carve Out for the tenor of the case, including Professional Fees in an amount determined by the DIP ABL Agent in its sole discretion (the "**Carve Out Reserve**"). Initially, and without limiting the DIP ABL Agent's discretion to increase the Carve

Out Reserve in its sole discretion, the Carve Out Reserve shall consist of the sum of (i) the Professional Fees of persons or firms retained by the Debtors and U.S. Trustee fees, each as set forth in the 13-Week Projection for the months of March, April and May 2015, (ii) 200% of the Professional Fees of persons or firms retained by the Creditors Committee (collectively, the "**Committee Professionals**") as set forth in the 13-Week Projection for the months of March, April and May 2015, (iii) $100,000 for fees and expenses of a Chapter 7 trustee; (iv) $250,000 reserve for legal fees and expenses incurred by the Prepetition ABL Agent (on behalf of the Prepetition ABL Lenders) in connection with its defense of any unsuccessful investigation, prosecution or cause of action commenced by the Creditors Committee or a party-in-interest prior to the expiration of the Challenge Period, solely as it relates to the Prepetition ABL Agent and Prepetition ABL Lenders' Prepetition Security Interests (the "**Prepetition ABL Facility Reserve**"), and (v) the Carve Out Cap, and on the 25th day of each month, commencing April 25, 2015, the Carve Out Reserve will be adjusted (x) to relieve any amounts which were previously subject to the Carve Out Reserve but which were subsequently paid, (y) to increase (or decrease) the Carve Out Reserve for the prior month's Professional Fees and the U.S. Trustee fees based on actual billings and (z) to increase the Carve Out Reserve by the amount of the Professional Fees and the U.S. Trustee fees set forth in the 13-Week Projection for the subsequent month. Each Committee Professional shall deliver to the DIP ABL Agent and to the Debtors no later than 5:00 p.m. on Friday of each calendar week a report as to the total amount of Professional Fees incurred (without needing to include any expenses incurred) by such Committee Professional during the week ending the preceding Friday. The Carve Out for amounts payable for any fees incurred with respect to such Committee Professional for any week shall not exceed the amount of Professional Fees reported to the DIP ABL Agent with respect to

such week, pursuant to the preceding sentence. The Carve Out Reserve may be increased by the DIP ABL Agent at any time in its sole discretion if the reported Professional Fees of Committee Professionals for any week exceeds the budgeted amount of such Professional Fees as set forth in the 13-Week Projection for such week. The portion of the Carve Out Reserve attributable to Professional Fees of Committee Professionals, including any increases or adjustments to such portion of the Carve Out Reserve, may be in an amount equal to 200% of such Professional Fees.[2]

(d) For the avoidance of doubt and notwithstanding anything to the contrary herein or in the DIP Documents, except as otherwise set forth in paragraph 27 below, all liens and claims securing the DIP Facilities, the Superpriority Claims, and any adequate protection liens granted to any parties entitled thereto shall be subject to the Carve Out, it being understood and agreed that the Carve Out shall be allocated 100% against the DIP ABL Priority Collateral.

(e) If the actual cumulative Professional Fees through any given week exceed 150% of the budgeted amount of such Professional Fees set forth in the 13-Week Projection through such week, then without limiting the DIP ABL Agent's discretion to increase the Carve Out Reserve in its sole discretion, the DIP ABL Agent may add an incremental month of Professional Fees to the Carve Out Reserve.

(f) *Budget/13-Week Projection*. The Debtors shall deliver to the DIP Agents and a copy to the Creditors Committee, a weekly statement of receipts and disbursements of the Debtors and their domestic subsidiaries on a consolidated basis for the 21 weeks

[2] For the avoidance of doubt, the procedures set forth herein with regard to the Committee Professionals' reporting fees is substantially similar to those found in the DIP Documents with regard to the Debtors' Professionals.

commencing with the first week following the Commencement Date (the "**Budget**"), including (i) individual line items for "Cash Receipts", "Vendors", "Lease, rent and utilities", "Payroll and benefits", "Taxes", "Capital and tooling", "Funding to rest of world entities", "DIP fees and interest", "Professional fees", "U.S. Trustee fees", "Other", "Net Cash Inflow / (Outflow)" and (ii) the anticipated uses of the DIP Term Loan Facility and the DIP ABL Facility for such period, in form and substance reasonably satisfactory to the DIP ABL Lenders and the Majority Lenders; provided that, to the extent that payment in full in cash of all DIP Term Loan Obligations has not occurred within such 21-week period, the Debtors shall deliver to the DIP Agents and the Creditors Committee an updated budget covering the period through the Maturity Date (as defined in the DIP Term Loan Credit Agreement), which shall be in the same form as the Budget and shall be reasonably satisfactory to the DIP ABL Lenders and the Majority Lenders (as defined in the DIP Term Loan Credit Agreement), and such updated budget shall become the "Budget" for all purposes under the DIP Documents. The inclusion of line items in the Budget with respect to the payment of obligations incurred prepetition shall not by itself authorize the payment of such obligations and such prepetition obligations may be paid only as expressly authorized in the Interim Order, this Final Order or in other Orders of the Bankruptcy Court. The Debtors shall also deliver to the DIP Agents and the Creditors Committee no later than 5:00 p.m. on Friday of each calendar week, commencing with the first such date following the Commencement Date, (a) a projected statement of receipts and disbursements of the Debtors and their consolidated domestic subsidiaries on a weekly basis for the following 13 calendar weeks which shall be in the same form as the Budget, shall be reasonably satisfactory to the DIP Agents, and substantially in the form attached as **Exhibit "2"** hereto and incorporated by reference herein (the "**13-Week Projection**"); and (b) a variance report on a weekly basis setting

forth (1) actual cash receipts and disbursements for the week ending on the previous Friday, (2) all variances, on an individual line item basis and an aggregate basis, as compared to the Budget and the previously delivered 13-Week Projection on a weekly and cumulative basis, and (3) a certified explanation, in reasonable detail, for any material variance (the "**Variance Report**").

THE DIP ABL FACILITY

(12) *Authorization of the DIP ABL Facility Documents and the DIP ABL Facility.*

(a) The Debtors were, under the Interim Order, and are hereby authorized and directed to execute, deliver, enter into, and perform all obligations under the DIP ABL Credit Agreement, and the DIP Loan Parties were, by the Interim Order, and are hereby authorized to guarantee all of the Borrowers' outstanding obligations under the DIP ABL Credit Agreement (the "**DIP ABL Obligations**").

(b) The Borrowers are hereby authorized to draw under the DIP ABL Facility pursuant to the DIP ABL Credit Agreement, and the DIP Loan Parties are hereby authorized to guaranty such borrowings of money and letters of credit, in an aggregate principal amount of up to $150,000,000 of the DIP ABL Facility (subject to any limitations on borrowings thereunder), in accordance with this Final Order and the DIP ABL Facility Documents (as defined below), which amount shall be used for all purposes permitted under the DIP ABL Facility Documents, including, without limitation, providing working capital for the Debtors, for other general corporate purposes and to pay interest, fees, and expenses in accordance with the Interim Order, this Final Order and the DIP ABL Facility Documents. The discharge in full of the Prepetition ABL Debt then outstanding pursuant to the Interim Order is hereby ratified and confirmed (subject to the provisions of paragraph 28 hereof).

(c) In furtherance of the foregoing and without further approval of the Bankruptcy Court, each Debtor was, under the Interim Order, and is hereby authorized and directed to perform, and is authorized and directed to cause the DIP Loan Parties to perform, all acts and to execute, deliver and perform all instruments and documents (including, without limitation, the execution or recordation of security agreements, mortgages, and financing statements), and to pay all fees, that may be reasonably required or necessary for the Debtors' performance of their obligations under the DIP ABL Facility, including, without limitation:

(i) the execution, delivery and performance of the DIP ABL Credit Agreement and any exhibits attached thereto, including, without limitation, all security agreements and all related or ancillary documents and agreements and any mortgages contemplated thereby (collectively, the "**DIP ABL Facility Documents**");

(ii) the execution, delivery and performance of the guarantees by the DIP Loan Parties of the obligations of the Borrowers under the DIP ABL Facility Documents;

(iii) the execution, delivery and performance of one or more amendments, waivers, consents or other modifications to and under the DIP ABL Facility Documents, in each case in such form as the Debtors and the DIP ABL Agent may agree, and no further approval of the Bankruptcy Court shall be required for amendments, waivers, consents or other modifications to and under the DIP ABL Facility Documents (and any reasonable fees paid in connection therewith) that do not (A) shorten the maturity or the scheduled termination date thereunder, or (B) increase the commitments, the rate of interest (other than invoking the default rate upon an Event of Default), or the letter of credit fees payable thereunder. The Debtors shall provide to the Creditors Committee copies of (x) any proposed amendments or modifications no

less than 72 hours prior to the proposed effectiveness of such amendment or modification and (y) any such waivers or consents within 24 hours of receipt by the Debtors. The Creditors Committee shall be permitted to object, on an expedited basis, with regard to any proposed amendments or modifications within such 72 hour period, and upon filing such objection, the amendment or modification shall not be effective until this Court rules on the objection. The Creditors Committee may waive the requirement of 72 hours' notice with respect to any particular amendment or modification, in which case such amendment or modification may be effective immediately;

(iv) subject to paragraph 21 hereof, the non-refundable payment to the DIP ABL Agent and the DIP ABL Lenders, as the case may be, of the reasonable fees and expenses set forth in the DIP ABL Facility Documents, including, without limitation, any upfront or backstop commitment, administrative, syndication or collateral agency fee, and the fees and expenses of the professionals retained as provided for in the DIP ABL Facility Documents, without the need to file retention motions or fee applications, or to provide notice to any party; and

(v) the performance of all other acts required under or in connection with the DIP ABL Facility Documents.

(d) The DIP ABL Facility Documents constitute valid, binding and unavoidable obligations of the Debtors and the DIP Loan Parties, enforceable against each Debtor and the other DIP Loan Parties in accordance with the terms of this Final Order and the DIP ABL Facility Documents. No obligation, payment, transfer or grant of security under the DIP ABL Facility Documents or this Final Order (with regard to the DIP ABL Facility Documents) shall be stayed, restrained, voidable, avoidable or recoverable under the Bankruptcy

Code or under any applicable nonbankruptcy law (including without limitation, under chapter 5 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law), or subject to any defense, reduction, setoff, recoupment, recharacterization, subordination, disallowance, impairment, cross-claim or counterclaim.

(13) *DIP ABL Facility Liens.* As security for the DIP ABL Obligations, effective and perfected upon the date of the Interim Order and without the necessity of the execution by the Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, or other similar documents, or the possession or control by the DIP ABL Agent of any property, the following security interests and liens are hereby granted to the DIP ABL Agent, for its own benefit and the benefit of the DIP ABL Lenders, subject only to the Carve Out (all such liens and security interests granted to the DIP ABL Agent, for its benefit and for the benefit of the DIP ABL Lenders, pursuant to the Interim Order, this Final Order, and the DIP Documents, the "**DIP ABL Facility Liens**"):

(a) First Lien on DIP ABL Priority Collateral. Pursuant to section 364(d)(1) of the Bankruptcy Code, the DIP ABL Agent, for the benefit of the DIP ABL Lenders, shall have a valid, binding, continuing, enforceable, fully-perfected first priority lien on, and security interest in the prepetition and postpetition assets of the Debtors defined as DIP ABL Priority Collateral in the DIP ABL Credit Agreement (the "**DIP ABL Priority Collateral**"), which shall include, without limitation, the Debtors' existing and future accounts receivable, inventory, cash, deposit accounts, investments in cash and cash equivalents and other permitted investments (other than capital stock of subsidiaries), letter of credit rights relating to inventory, accounts receivable and all proceeds of the foregoing, subject only to validly perfected,

enforceable and unavoidable liens, arising on or before the Commencement Date, that are expressly allowed to have priority by operation of statute or rule of law ("**Other Priority Liens**") (for clarity, the prepetition liens securing the Prepetition Indebtedness shall not constitute Other Priority Liens), provided that the DIP ABL Priority Collateral shall not include the identifiable cash proceeds of the DIP Term Loan Collateral (as defined below) that are held in a segregated deposit account used only for the purposes of holding such proceeds. None of the Debtors' claims, causes of action or other avoidance claims under sections 502(d), 544, 545, 547, 548, 549, 550 or 553 of the Bankruptcy Code, or any other avoidance actions under the Bankruptcy Code (collectively, "**Avoidance Actions**") shall constitute DIP ABL Priority Collateral; provided, however, that any proceeds thereof or property recovered, unencumbered or otherwise the subject of successful Avoidance Actions, whether by judgment, settlement or otherwise ("**Avoidance Proceeds**") shall constitute DIP ABL Priority Collateral, provided that, the lien on Avoidance Proceeds securing the DIP ABL Obligations and the lien on Avoidance Proceeds securing the DIP Term Loan Obligations shall rank *pari passu* with each other.

(14) *Adequate Protection of Prepetition ABL Lenders*. Until the indefeasible discharge of the Prepetition ABL Debt (which shall be deemed to have occurred upon the expiration of the Challenge Period (as defined below) if no adversary proceeding or contested matter is timely and properly asserted, in accordance with paragraph 27 hereof, with respect to the Prepetition ABL Debt or against the Prepetition ABL Agent or the Prepetition ABL Lenders (in their capacities as such)), the Prepetition ABL Lenders are entitled, pursuant to sections 361, 363(e) and 364(d)(1) of the Bankruptcy Code, to adequate protection of their interest in the Prepetition Collateral, including the Cash Collateral, for and equal in amount to any aggregate diminution in the value of the Prepetition ABL Lenders' interests in the Prepetition Collateral,

including, without limitation, any such diminution resulting from the sale, lease or use by the Debtors (or other decline in value) of Cash Collateral and any other Prepetition Collateral, the priming of the Prepetition ABL Agent's security interests and liens in the Prepetition Collateral by the DIP Agent and the DIP Lenders pursuant to the DIP Documents and this Final Order, the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code, the Prepetition ABL Debt and the Contingent Prepetition ABL Debt. As adequate protection, the Prepetition ABL Agent and the Prepetition ABL Lenders are hereby granted the following (collectively, the "**Prepetition ABL Adequate Protection Obligations**"):

(a) Prepetition ABL Adequate Protection Liens. The Prepetition ABL Agent (for itself and for the benefit of the Prepetition ABL Lenders) was granted under the Interim Order and is hereby granted in the amount of diminution in value of the Prepetition ABL Lenders' interest in its Cash Collateral that results from the Debtors' use thereof and the amount of any Contingent Prepetition ABL Debt, a replacement security interest in and lien upon all of the DIP Collateral, subject and subordinate only to (i) the security interests and liens granted to (x) the DIP Agents for the benefit of the DIP Lenders, and (y) the Prepetition Secured Noteholders in respect of the DIP Term Loan Priority Collateral pursuant to the Interim Order, this Final Order, and the DIP Documents and any liens on the DIP Collateral, (ii) the Carve Out, (iii) the Prepetition Secured Noteholders Adequate Protection Liens (as defined below), and (iv) Other Priority Liens (such liens securing the Prepetition ABL Adequate Protection Obligations, the "**Prepetition ABL Adequate Protection Liens**"); provided, that the Prepetition ABL Adequate Protection Liens shall not extend to any Avoidance Proceeds. The Prepetition ABL Adequate Protection Liens shall only secure the amount of any Contingent Prepetition ABL Debt.

(b) In the event that the condition precedent to the granting of the Prepetition ABL Adequate Protection Liens is satisfied, the Prepetition ABL Agent and the Prepetition ABL Lenders are hereby authorized, but not required, to file or record financing statements, intellectual property filings, mortgages, notices of lien or similar instruments in any jurisdiction, take possession of or control over, or take any other action in order to validate and perfect the Prepetition ABL Adequate Protection Liens. Whether or not the Prepetition ABL Agent and the Prepetition ABL Lenders shall, in their respective sole discretion, choose to file such financing statements, intellectual property filings, mortgages, notices of lien or similar instruments, take possession of or control over, or otherwise confirm perfection of the liens and security interests granted to them hereunder, such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge, dispute or subordination as of the date of entry of the Interim Order. For the avoidance of doubt, the Prepetition ABL Adequate Protection Liens shall not be valid, perfected, allowed or enforceable to the extent that the liens and security interests held by the Prepetition ABL Agent or the Prepetition ABL Lenders are determined to be invalid, unperfected, disallowed, or unenforceable by a final non-appealable order.

(c) Prepetition ABL Sections 503(b) and 507(b) Claim. The Prepetition ABL Agent, on behalf of itself and the Prepetition ABL Lenders, is hereby granted, subject to the Carve Out, a superpriority claim as provided for in sections 503(b) and 507(b) of the Bankruptcy Code for any and all Contingent Prepetition ABL Debt, at the estates of only those Debtors that were obligors under the Prepetition ABL Credit Agreement (i.e., UC Holdings and the Borrowers), immediately junior to the Superpriority Claims held by the DIP Agents and the DIP Lenders and senior to the superpriority claim held by the Prepetition Indenture Trustee

and the Prepetition Secured Noteholders in respect of the DIP ABL Priority Collateral; provided that, unless otherwise expressly agreed to in writing by each DIP Agent and permitted under applicable law, the Prepetition ABL Agent and the Prepetition ABL Lenders shall not receive or retain any payments, property or other amounts in respect of the superpriority claims under sections 503(b) and 507(b) of the Bankruptcy Code granted hereunder or under the Prepetition ABL Credit Agreement unless and until the DIP Obligations have indefeasibly been paid in cash in full in accordance with the DIP Documents (the "**ABL Adequate Protection Claim**"); and provided further, that the Prepetition ABL Lenders hereby irrevocably waive the section 503(b) claim granted to them by this Final Order upon the expiration of the Challenge Period with no challenge having been brought or, if such a challenge is brought, upon the entry of a final judgment resolving such challenge in favor of the Prepetition ABL Lenders.

THE DIP TERM LOAN FACILITY

(15) *Authorization of the DIP Term Loan Documents and the DIP Term Loan Facility.*

(a) The Debtors were, under the Interim Order, and are hereby authorized and directed to execute, deliver, enter into, and perform all obligations under the DIP Term Loan Agreement and related documents, including, without limitation, any exhibits attached thereto, all security agreements, all guarantees, all related or ancillary documents and agreements, and any mortgages contemplated thereby, as hereafter amended, restated, amended and restated, supplemented, or otherwise modified from time to time in accordance with the terms thereof and hereof (collectively, the "**DIP Term Loan Documents**"), and the DIP Loan Parties were, under the Interim Order, and are hereby authorized to guarantee all of the Borrowers' outstanding obligations under the DIP Term Loan Documents (the "**DIP Term Loan Obligations**").

(b) The Borrowers are hereby authorized to draw under the DIP Term Loan Facility pursuant to the DIP Term Loan Documents, and the DIP Loan Parties are hereby authorized to guaranty such borrowings, in an aggregate principal amount of up to $100,000,000 (subject to any limitations on borrowings thereunder), in accordance with this Final Order and the DIP Term Loan Documents, which amount shall be used solely for purposes permitted under the DIP Term Loan Documents, including, without limitation, providing working capital for the Debtors, and paying interest, fees, and expenses in accordance with the Interim Order, this Final Order and the DIP Term Loan Documents. Further, the Debtors are hereby authorized and directed to pay any and all fees, costs and expenses in connection with the Exit Term Loan Facility, pursuant to the fee letter filed with the Bankruptcy Court on March 17, 2015 [Docket No. 114] on the terms and conditions set forth therein, and comply with all of the terms and provisions of the DIP Term Loan Facility and related documents.

(c) In furtherance of the foregoing and without further approval of the Bankruptcy Court, each Debtor is authorized and directed to perform, and is authorized and directed to cause the DIP Loan Parties to perform, all acts and to execute, deliver and perform all instruments and documents (including, without limitation, the execution or recordation of security agreements, mortgages, and financing statements), and to pay all fees, that may be reasonably required or necessary for the Debtors' performance of their obligations under the DIP Term Loan Facility, including, without limitation:

(i) the execution, delivery and performance of the DIP Term Loan Documents;

(ii) the execution, delivery and performance of the guarantees by the DIP Loan Parties of the Borrowers' obligations under the DIP Term Loan Documents;

(iii) the execution, delivery and performance of one or more amendments, waivers, consents or other modifications to and under the DIP Term Loan Documents, in each case in such form as the Debtors and the DIP Term Loan Agent may agree, and no further approval of the Bankruptcy Court shall be required for amendments, waivers, consents or other modifications to and under the DIP Term Loan Documents (and any reasonable fees paid in connection therewith) that do not (A) shorten the maturity of the extensions of credit or scheduled termination date thereunder, or (B) increase the commitments or the rate of interest payable thereunder. The Debtors shall provide to the Creditors Committee copies of (x) any proposed amendments or modifications no less than 72 hours prior to the proposed effectiveness of such amendment or modification and (y) any such waivers or consents within 24 hours of receipt by the Debtors. The Creditors Committee shall be permitted to object, on an expedited basis, with regard to any proposed amendments or modifications within such 72 hour period, and upon filing such objection, the amendment or modification shall not be effective until this Court rules on the objection. The Creditors Committee may waive the requirement of 72 hours' notice with respect to any particular amendment or modification in which case such amendment or modification may be effective immediately;

(iv) subject to paragraph 21 hereof, the non-refundable payment to the DIP Term Loan Agent and the DIP Term Loan Lenders, as the case may be, of the fees and any amounts due (or that may become due) in respect of the indemnification obligations in connection with the DIP Term Loan Documents and reasonable fees and expenses as may be due from time to time under the DIP Term Loan Documents, including, without limitation, any upfront or backstop commitment, administrative or collateral agency fee, and the fees and

expenses of the professionals retained as provided for in the DIP Term Loan Documents, without the need to file retention motions or fee applications, or to provide notice to any party; and

(v) the performance of all other acts required under or in connection with the DIP Term Loan Documents.

(d) Upon execution and delivery of the DIP Term Loan Documents, the DIP Term Loan Documents shall constitute valid, binding and unavoidable obligations of the Debtors and the other DIP Loan Parties, enforceable against each Debtor and each DIP Loan Party in accordance with the terms of the Interim Order, this Final Order and the DIP Term Loan Documents. No obligation, payment, transfer or grant of security under the DIP Term Loan Documents or this Final Order (with regard to the DIP Term Loan Documents) shall be stayed, restrained, voidable, avoidable or recoverable under the Bankruptcy Code or under any applicable nonbankruptcy law (including without limitation, under chapter 5 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law), or subject to any defense, reduction, setoff, recoupment, recharacterization, subordination, disallowance, impairment, cross-claim or counterclaim.

(16) *DIP Term Loan Liens.* As security for the DIP Term Loan Obligations, effective and perfected upon the date of the Interim Order and without the necessity of the execution by the Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, mortgages or other similar documents, or the possession or control by the DIP Term Loan Agent of any property, the following security interests and liens are hereby granted to the DIP Term Loan Agent, for its own benefit and the benefit of the DIP Term Loan Lenders (all property identified in clauses (a), (b), (c) and

(d) below being collectively referred to as the "**DIP Term Loan Collateral**"), subject only to the payment of the Carve Out as provided for herein (all such liens and security interests granted to the DIP Term Loan Agent, for its benefit and for the benefit of the DIP Term Loan Lenders, pursuant to the Interim Order, this Final Order and the DIP Documents, the "**DIP Term Loan Liens**" and, together with the DIP ABL Liens, the "**DIP Liens**"):

(a) First Lien on Unencumbered Property. Pursuant to section 364(c)(2) of the Bankruptcy Code, the DIP Term Loan Agent, for the benefit of the DIP Term Loan Lenders, shall have a valid, binding, continuing, enforceable, fully-perfected first-priority lien on, and security interest in, all tangible and intangible prepetition and postpetition property of the Debtors, whether existing on or as of the Commencement Date or otherwise thereafter acquired, including as a result of the discharge of the Prepetition ABL Debt, that is not subject to valid, perfected, non-avoidable and enforceable liens (collectively, the "**Unencumbered Property**"), including, without limitation, any and all cash and cash collateral of the Debtors (whether maintained with the DIP Term Loan Agent or otherwise) and any investment of such cash and cash collateral, general intangibles, intercompany loans, contracts, securities, chattel paper, owned real estate, real property leaseholds, fixtures, machinery, equipment, deposit accounts, patents, copyrights, trademarks, trade names, rights under license agreements and other intellectual property, all issued and outstanding capital stock of each of the Debtors' domestic subsidiaries, two-thirds of all issued and outstanding capital stock of each of the Debtors' foreign subsidiaries, other rights to payment whether arising before or after the Commencement Date (including, without limitation, postpetition intercompany claims against the Debtors, the DIP Loan Parties and any non-Debtor affiliates), and the proceeds, product, offspring or profits of all

of the foregoing, as set forth in the DIP Term Loan Documents, provided that, for the avoidance of doubt, the Unencumbered Property shall not include the DIP ABL Priority Collateral.

(b) First Lien on DIP Term Loan Priority Collateral. Pursuant to section 364(c)(2) of the Bankruptcy Code, the DIP Term Loan Agent, for the benefit of the DIP Term Loan Lenders, shall have a valid, binding, continuing, enforceable, fully-perfected first priority lien on, and security interest in all assets of the Debtors and the DIP Loan Parties that do not constitute the DIP ABL Priority Collateral (the "**DIP Term Loan Priority Collateral**"), subject to any Other Priority Liens.

(c) Priming Liens on Prepetition Collateral. Pursuant to section 364(d)(1) of the Bankruptcy Code, the DIP Term Loan Agent, for the benefit of the DIP Term Loan Lenders, shall have a valid, binding, continuing, enforceable, fully-perfected first-priority senior priming lien on, and security interest upon all pre- and post-petition property of the Debtors and the DIP Loan Parties that constitutes DIP Term Loan Priority Collateral. Such security interests and liens shall be senior in all respects to the interests in such property of the Prepetition Secured Parties arising from current and future liens of the Prepetition Secured Parties (including, without limitation, adequate protection liens granted hereunder), but shall not be senior to any valid, perfected and unavoidable interest of other parties arising out of liens, if any on such property existing immediately prior to the Commencement Date.

(d) Junior Liens on the DIP ABL Priority Collateral. Pursuant to section 364(c)(3) of the Bankruptcy Code, the DIP Term Loan Agent, for the benefit of the DIP Term Loan Lenders, shall have a valid, binding, continuing, enforceable, fully-perfected second-priority lien (junior to the DIP ABL Facility Liens) on, and security interest in, the DIP ABL Priority Collateral, subject only to the Intercreditor Arrangements and any Other Priority Liens.

The DIP ABL Priority Collateral is also encumbered by a third-priority lien (junior to the DIP ABL Facility Liens and the DIP Term Loan Liens) held in favor of the Prepetition Indenture Trustee for the benefit of the Prepetition Secured Noteholders, subject to the Intercreditor Arrangements and any Other Priority Liens.

(e) Notwithstanding the foregoing clauses (a), (b), (c) and (d), the DIP Term Loan Collateral shall exclude Avoidance Actions but shall include Avoidance Proceeds, provided, that the lien on Avoidance Proceeds securing the DIP Term Loan Obligations and the lien on Avoidance Proceeds securing the DIP ABL Obligations shall rank *pari passu* with each other.

(17) *Adequate Protection of Prepetition Secured Noteholders*. The Prepetition Secured Noteholders are entitled, pursuant to sections 361, 363(e), 364(d)(1) and 507 of the Bankruptcy Code, to adequate protection of their interest in the Prepetition Collateral, including any Cash Collateral, for and equal in amount to any aggregate diminution in the value of the Prepetition Secured Noteholders' interests in the Prepetition Collateral, including, without limitation, any such diminution resulting from the sale, lease or use by the Debtors (or other decline in value) of Cash Collateral, the Notes Priority Collateral, the ABL Priority Collateral, and any other Prepetition Collateral, the priming of the Prepetition Secured Noteholders' security interests and liens in the Prepetition Collateral by the DIP Agents and the DIP Lenders pursuant to the DIP Documents, the Interim Order and this Final Order, and the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code. As adequate protection, the Prepetition Indenture Trustee and the Prepetition Secured Noteholders are hereby granted the following solely in the amount of any such diminution (collectively, the "**Prepetition Secured**

Noteholders Adequate Protection Obligations" and, together with the Prepetition ABL Adequate Protection Obligations, the "**Adequate Protection Obligations**"):

(a) Prepetition Secured Noteholder Adequate Protection Liens. The Prepetition Indenture Trustee, on behalf of itself and for the benefit of the Prepetition Secured Noteholders, is hereby granted (effective and perfected upon the date of the Interim Order and without the necessity of the execution by the Debtors of mortgages, security agreements, pledge agreements, financing statements or other agreements), in the amount of such diminution, the following liens: (i) a second-priority lien on the DIP Term Loan Priority Collateral, junior to the lien and security interests granted to the DIP Term Loan Agent for the benefit of the DIP Term Loan Lenders and (ii) a fourth-priority lien on the DIP ABL Priority Collateral, junior to the lien and security interests granted to (x) the DIP ABL Agent for the benefit of the DIP ABL Lenders, (y) the DIP Term Loan Agent for the benefit of the DIP Term Loan Lenders and (z) the Prepetition ABL Adequate Protection Liens (such liens securing the Prepetition Secured Noteholders' Adequate Protection Obligations, collectively, the "**Prepetition Secured Noteholders Adequate Protection Liens**" and, together with the Prepetition ABL Adequate Protection Liens and Contingent Adequate Protection Liens, the "**Adequate Protection Liens**"); provided, that the Prepetition Secured Noteholders Adequate Protection Liens shall not extend to any Avoidance Proceeds. The Prepetition Secured Noteholders Adequate Protection Liens shall also be junior in all respects to the Carve Out, any Other Priority Liens, and, solely in respect of the DIP ABL Priority Collateral, junior in all respects to the Contingent Adequate Protection Liens.

(b) The Prepetition Indenture Trustee and the Prepetition Secured Noteholders were, under the Interim Order, and are hereby authorized, but not required, to file or

record financing statements, intellectual property filings, mortgages, notices of lien or similar instruments in any jurisdiction, take possession of or control over, or take any other action in order to validate and perfect the Prepetition Secured Noteholders Adequate Protection Liens. Whether or not the Prepetition Indenture Trustee and the Prepetition Secured Noteholders shall, in their respective sole discretion, choose to file such financing statements, intellectual property filings, mortgages, notices of lien or similar instruments, take possession of or control over, or otherwise confirm perfection of the liens and security interests granted to them hereunder, such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge, dispute or subordination as of the date of entry of the Interim Order. For the avoidance of doubt, the Prepetition Secured Noteholders Adequate Protection Liens shall not be valid, perfected, allowed or enforceable to the extent that the liens and security interests held by the Prepetition Indenture Trustee or the Prepetition Secured Noteholders are determined to be invalid, unperfected, disallowed, or unenforceable by a final non-appealable order.

(c) Subject to paragraph 21 hereof, the Debtors are authorized and directed under sections 361, 363 and 364 of the Bankruptcy Code to make the following adequate protection payments: (i) ongoing payments, when due or as soon as practicable thereafter, of all reasonable and documented costs, fees and expenses incurred either prior to or after the Commencement Date of Paul, Weiss, Rifkind, Wharton & Garrison LLP, AlixPartners and, as reasonably agreed to by the Debtors (and concurrently disclosed to the Creditors Committee) and in accordance with the Budget, other legal (foreign and domestic), environmental and industry advisors, each in its capacity as advisor, to the Informal Committee of Noteholders, and in each case, incurred in connection with the Debtors, the Chapter 11 Cases or the transactions contemplated hereby; and (ii) continued maintenance and insurance of the

Prepetition Collateral and the DIP Collateral as required under the Prepetition Financing Documents and the DIP Documents (collectively, the "**Adequate Protection Payments**").

(18) *Prepetition Secured Noteholders' Section 507(b) Claim.* The Prepetition Indenture Trustee, on behalf of itself and the Prepetition Secured Noteholders, was, under the Interim Order, and is hereby granted, subject to the Carve Out, a superpriority claim as provided for in section 507(b) of the Bankruptcy Code, immediately junior to the Superpriority Claims held by the DIP Agents and the DIP Lenders; provided that, unless otherwise expressly agreed to in writing by the DIP Agents, the Prepetition Indenture Trustee and the Prepetition Secured Noteholders shall not receive or retain any payments, property or other amounts in respect of the superpriority claims granted hereunder or under the Prepetition Financing Documents unless and until the DIP Obligations have indefeasibly been paid in cash in full in accordance with the DIP Documents (the "**Prepetition Secured Noteholders Adequate Protection Claim**" and, together with the ABL Adequate Protection Claim, the "**Adequate Protection Claims**"). The amount of any Prepetition Secured Noteholder Adequate Protection Claim at each Debtor's estate shall be no greater than the diminution in the value of the Prepetition Secured Noteholders' interests in the Prepetition Collateral (pursuant to paragraph 17 hereof) that is property of such Debtor's estate.

(19) *Sufficiency of Adequate Protection.* Under the circumstances and given that the Adequate Protection Liens, the Adequate Protection Claims and the Adequate Protection Payments (collectively, the "**Adequate Protection Obligations**") are consistent with the Bankruptcy Code; the Bankruptcy Court finds that such adequate protection is reasonable and sufficient to protect the interests of the Prepetition Secured Parties. Except as expressly provided herein, nothing contained in this Final Order (including, without limitation, the authorization of

the use of any Cash Collateral) shall impair or modify any rights, claims or defenses available in law or equity to any Prepetition Secured Party, the DIP Agents or any DIP Lenders including, without limitation, rights of a party to a swap agreement, securities contract, commodity contract, forward contract or repurchase agreement with a Debtor to assert rights of setoff or other rights with respect thereto as permitted by law (or the right of a Debtor to contest such assertion).

(20) *Limitation on Charging Expenses Against Collateral*. Except to the extent of the Carve Out, no expenses of administration of these Chapter 11 Cases or any future proceeding that may result therefrom, including a case under Chapter 7 of the Bankruptcy Code, shall be charged against or recovered from the DIP Collateral or the Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code, the enhancement of collateral provisions of section 552 of the Bankruptcy Code, or any other legal or equitable doctrine (including, without limitation, unjust enrichment) or any similar principle of law, without the prior written consent of the DIP Agents and the DIP Lenders or the Prepetition Indenture Trustee and the Prepetition Secured Noteholders, as the case may be with respect to their respective interests, and no consent shall be implied from any action, inaction or acquiescence by the DIP Agents, the DIP Lenders, the Prepetition Indenture Trustee or the Prepetition Secured Noteholders. In no event shall the DIP Agents, the DIP Lenders, or the Prepetition Secured Parties be subject to (i) the "equities of the case" exception contained in section 552(b) of the Bankruptcy Code or (ii) the equitable doctrine of "marshaling" or any other similar doctrine with respect to the DIP Collateral.

(21) *Payment of Fees and Expenses.* Except as set forth in this paragraph, no payments (including professional fees and expenses) with respect to the DIP Obligations or the Adequate Protection Obligations shall be subject to Bankruptcy Court approval or required to be

maintained in accordance with the U.S. Trustee Guidelines, and no recipient of any such payments shall be required to file any interim or final fee applications with the Bankruptcy Court or otherwise seek Bankruptcy Court's approval of any such payments; provided that any such professional fees or expenses incurred after March 13, 2015, shall be paid ten (10) business days following delivery of an invoice to the Debtors, the lead counsel for the Creditors Committee and the U.S. Trustee; provided, further, that upon any objection to the reasonableness of such fees or expenses, the Debtors shall pay all amounts that are not subject of such objection upon the expiration of the ten (10) day period and shall pay the balance following resolution of such objection or upon an order of the Bankruptcy Court.

(22) *Credit Bid.* The DIP Agents and the DIP Lenders, shall have the respective right to credit bid (in the case of the DIP Term Loan Obligations, with the consent of the Majority Lenders (as defined in the DIP Term Loan Agreement)), a portion of or all of their respective claims in connection with a sale of the Debtors' assets under section 363 of the Bankruptcy Code, under a plan of reorganization or under applicable law. For the avoidance of doubt, no party other than the DIP ABL Agent may credit bid for any DIP ABL Priority Collateral unless the DIP ABL Obligations have been paid in full in cash. In accordance with section 363 (k) of the Bankruptcy Code, the Prepetition Secured Parties shall have the right to credit bid a portion of or all of their respective claims in connection with a sale of the Debtors' assets under section 363 of the Bankruptcy Code, under a plan of reorganization or under applicable law, unless the Bankruptcy Court orders otherwise; provided, that any credit bid by the Prepetition Secured Parties shall be subject to, if applicable, any final order of the Bankruptcy Court ruling that the Creditors Committee (or any other party in interest) timely and

successfully challenged the validity, enforceability, priority, extent or amount of any Prepetition Obligations.

(23) *Protection of DIP Lenders' Rights.*

(a) The automatic stay provisions of section 362 of the Bankruptcy Code shall be vacated and modified (and any stay of such vacation or modification under Bankruptcy Rule 4001(a)(3) is waived) without further order of the Bankruptcy Court to the extent necessary to permit the DIP Agents and the DIP Lenders to exercise all rights and remedies provided for in the DIP Documents and this Final Order without further order of or application or motion to the Bankruptcy Court, provided that, such rights and remedies that are exercisable only upon the occurrence of an Event of Default (as defined in the DIP Documents and as set forth in this paragraph), but subject in all respects to the Carve Out Cap, shall require the applicable DIP Agent to give five (5) days' prior written notice (which five days' notice period (the "**Default Notice Period**") shall run concurrently with any notice provided under the DIP Documents) to the U.S. Trustee, the Debtors, the Prepetition Indenture Trustee, the Prepetition ABL Agent, the other DIP Agent, and the Creditors Committee, of such DIP Agent's intent to exercise such rights and remedies; provided that, the Debtors shall not have the right to contest the enforcement of the remedies set forth in this Final Order and the DIP Documents on any basis other than an assertion that an Event of Default has not occurred or has been cured within the cure periods expressly set forth herein or in the applicable DIP Documents; and provided further that during the Default Notice Period, the Debtors shall have no authority to borrow under the respective DIP Facility unless the applicable DIP Agent otherwise consents with respect to its DIP Facility, and each DIP Agent may terminate its respective DIP Facility

and declare the respective DIP Obligations to be immediately due and payable, and unless otherwise ordered by the Bankruptcy Court, but subject to the Carve Out Cap, the Debtors' authority to use Cash Collateral shall be as set forth in the 13-Week Projection and limited solely to payment of expenses critical to preservation of the Debtors' estates and the payment of the fees, costs and expenses to administer these Chapter 11 Cases, as agreed by each respective DIP Agent in its sole discretion. The Debtors and the Prepetition Secured Parties shall waive any right to seek relief under the Bankruptcy Code, including under section 105 thereof, to the extent such relief would restrict or impair the rights and remedies of the DIP Agents and the DIP Lenders set forth in this Final Order and in the DIP Documents. For the avoidance of doubt, notwithstanding anything to the contrary in this Final Order, immediately after the occurrence of a Triggering Event (as defined in the DIP ABL Credit Agreement), the DIP ABL Agent may place the Debtors on dominion of funds as provided in the DIP ABL Credit Agreement without the requirement of five days' prior written notice and the Debtors shall notify lead counsel for the Creditors Committee with written notice of such dominion of funds within 24 hours of implementation.

(b) The DIP Agents' or any DIP Lender's delay or failure to exercise rights and remedies under the applicable DIP Documents or this Final Order shall not constitute a waiver of such DIP Agent's or such DIP Lender's rights hereunder, thereunder or otherwise, unless any such waiver is pursuant to a written instrument executed in accordance with the terms of the applicable DIP Documents.

(c) Except as otherwise expressly set forth in the Interim Order or this Final Order, the Debtors irrevocably waive any right, without the prior written consent of the DIP Agents, (a) to grant or impose, under section 364 of the Bankruptcy Code or otherwise, liens

or security interests in any DIP Collateral, whether senior, equal or subordinate to the DIP Agents' liens and security interests; or (b) to modify or affect any of the rights of the DIP Agents or the DIP Lenders under the Interim Order, this Final Order or the DIP Documents by any plan of reorganization confirmed in these Chapter 11 Cases or subsequent order entered in these Chapter 11 Cases.

(24) *Perfection of DIP Liens.*

(a) The DIP Agents and the DIP Lenders are hereby authorized, but not required, to file or record (and to execute in the name of the Debtors, as its true and lawful attorney, with full power of substitution, to the maximum extent permitted by law) financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments in any jurisdiction, or take possession of or control over deposit accounts and securities accounts or any other asset, in each case, in order to validate and perfect the liens and security interests granted to them in the DIP Documents, the Interim Order and this Final Order. Whether or not the DIP Agents on behalf of the respective DIP Lenders, each in their discretion, choose to file such financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments, or take possession of or control over deposit accounts and securities accounts or any other assets, such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge dispute or subordination, at the time and on the date of entry of the Interim Order. Upon the reasonable request of the DIP Agents, without any further consent of any party, the DIP Agents, the Debtors, each DIP Lender and the Prepetition Secured Parties are authorized and directed to take, execute, deliver and file such instruments (in each case, without representation or warranty of any kind) to enable the DIP Agents to further perfect the DIP Liens.

(b) A certified copy of the Interim Order or this Final Order may, in the discretion of the DIP Agents, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien or similar instruments, and all filing offices are hereby authorized to accept such certified copy of the Interim Order or this Final Order for filing and recording. For the avoidance of doubt, the automatic stay provisions of section 362(a) of the Bankruptcy Code shall be modified (and any stay of such modification under Bankruptcy Rule 4001(a)(3) is waived) to the extent necessary to permit the DIP Agents to take all actions, as applicable, referenced in this subparagraph (b) and in the immediately preceding subparagraph (a).

(c) Any provision of any lease or other license, contract or other agreement that requires (i) the consent or approval of one or more landlords or other parties or (ii) the payment of any fees or obligations to any governmental entity, in order for any Debtor to pledge, grant, sell, assign, or otherwise transfer any such leasehold interest, or the proceeds thereof, or other Collateral related thereto, was, under the Interim Order, and is hereby deemed to be inconsistent with the applicable provisions of the Bankruptcy Code. Any such provision shall have no force and effect with respect to the granting of post-petition liens on such leasehold interest or the proceeds of any assignment and/or sale thereof by any Debtor in favor of the DIP Lenders in accordance with the terms of the DIP Documents or this Final Order.

(25) *Preservation of Rights Granted Under this Final Order*.

(a) Except as expressly provided herein or in the DIP Documents, no claim or lien having a priority senior to or *pari passu* with those granted by this Final Order and the DIP Documents to the DIP Agents, the DIP Lenders and the Prepetition Secured Noteholders shall be granted or allowed while any portion of the DIP Obligations or the Adequate Protection

Obligations (with respect to the Prepetition ABL Adequate Protection Obligations, only if the Challenge Period has not expired) remain outstanding, and the DIP Liens and the Adequate Protection Liens (with respect to the Prepetition ABL Adequate Protection Liens, only if the Challenge Period has not expired) shall not (i) be subject to or junior to (A) any lien or security interest that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or (B) any liens arising after the Commencement Date, including, without limitation, any liens or security interests granted in favor of any federal, state, municipal or other domestic or foreign governmental unit (including any regulatory body), commission, board or court for any liability of the Debtors, or (ii) subordinate to or made *pari passu* with any other lien or security interest, whether under sections 363 or 364 of the Bankruptcy Code or otherwise.

(b) In addition to the Events of Default set forth in the DIP Documents, unless all DIP Obligations and all Adequate Protection Obligations (if any and in an amount as determined by the Bankruptcy Court, and with respect to the Prepetition ABL Adequate Protection Obligations, so long as the Challenge Period has not expired), shall have been indefeasibly paid in full in cash, the Debtors shall not seek, and it shall constitute an Event of Default under the DIP Documents and terminate the right of the Debtors to use Cash Collateral hereunder if any of the Debtors seek, or if there is entered, unless the DIP Agents have otherwise consented: (i) any modification or extension of this Final Order without the prior written consent of the DIP Agents, the Prepetition Indenture Trustee, and the Prepetition Secured Noteholders, and no such consent shall be implied by any other action, inaction or acquiescence by the DIP Agents, the Prepetition Indenture Trustee, and the Prepetition Secured Noteholders, (ii) an order converting or dismissing these Chapter 11 Cases; (iii) an order appointing a Chapter

11 trustee in these Chapter 11 Cases or any other representative or other similar appointment, (iv) an order appointing an examiner with enlarged powers in these Chapter 11 Cases, (v) an order providing for a change of venue with respect to these Chapter 11 Cases and such order shall not have been reversed or vacated within ten (10) days; (vi) an order approving a plan of reorganization or the sale of all or substantially all of the DIP Collateral (except to the extent permitted under the DIP Documents) or the Prepetition Collateral (except to the extent permitted under the Prepetition Financing Documents) shall have been entered which does not provide for the repayment in full in cash of all DIP Obligations (other than any contingent obligations not yet due and payable) and all Adequate Protection Obligations (if any and in an amount as determined by the Bankruptcy Court, and with respect to the Prepetition ABL Adequate Protection Obligations, so long as the Challenge Period has not expired) upon the consummation thereof. If an order dismissing these Chapter 11 Cases under section 1112 of the Bankruptcy Code or otherwise is at any time entered, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code) that (x) the Superpriority Claims, priming liens, security interests and replacement security interests granted to the DIP Agents, the DIP Lenders and the Prepetition Secured Parties, including, without limitation, the DIP Liens, the Adequate Protection Liens, the Prepetition Secured Noteholders Adequate Protection Claims and Adequate Protection Payments, the 507(b) claims, and the other administrative expense claims granted pursuant to this Final Order shall continue in full force and effect and shall maintain their priorities as provided in this Final Order (and that such Superpriority Claims, priming liens, security interests and replacement security interests granted to the DIP Agents, the DIP Lenders and the Prepetition Secured Parties, including, without limitation, the DIP Liens, the Adequate Protection Liens, the Prepetition Secured Noteholders Adequate Protection Claims and Adequate

Protection Payments, the 507(b) claims, and the other administrative expense claims, liens and security interests, shall, notwithstanding such dismissal, remain binding on all parties in interest, including the priorities set forth herein and in the DIP Documents) until all DIP Obligations and all Adequate Protection Obligations (if any and in an amount as determined by the Bankruptcy Court, and with respect to the Prepetition ABL Adequate Obligations, so long as the Challenge Period has not expired) shall have been paid and satisfied in full and (y) the Bankruptcy Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the claims, liens and security interests referred to in clause (x) above; provided that the Prepetition Secured Parties shall not receive or retain any payments, property or other amounts in respect of the Prepetition Obligations or under the Prepetition Financing Documents unless and until the DIP Obligations have indefeasibly been paid in cash in full in accordance with the DIP Documents.

(c) If any or all of the provisions of this Final Order are hereafter reversed, modified, vacated or stayed, such reversal, modification, vacation or stay shall not affect (i) the validity, priority or enforceability of any DIP Obligations or the Adequate Protection Obligations incurred prior to the actual receipt of written notice by the DIP Agents, the Prepetition ABL Agent or the Prepetition Indenture Trustee, as applicable, of the effective date of such reversal, modification, vacation or stay or (ii) the validity, priority or enforceability of any lien or priority authorized or created hereby or pursuant to the DIP Documents with respect to any DIP Obligations or the Adequate Protection Obligations (with respect to the Adequate Protection Obligations, to the extent that such reversal, modification, vacation or stay does not directly affect such liens, priority or obligations). Notwithstanding any such reversal, modification, vacation or stay, any use of Cash Collateral, the DIP Obligations or the Adequate Protection Obligations incurred by the Debtors to the DIP Agents, the DIP Lenders, or the

Prepetition Secured Parties, as the case may be, prior to the actual receipt of written notice by the DIP Agents, the Prepetition ABL Agent or the Prepetition Indenture Trustee of the effective date of such reversal, modification, vacation or stay shall be governed in all respects by the original provisions of this Final Order, and the DIP Agents, the DIP Lenders, and the Prepetition Secured Parties shall be entitled to all the rights, remedies, privileges and benefits granted in section 364(e) of the Bankruptcy Code, this Final Order and pursuant to the DIP Documents.

(d) Except as expressly provided in this Final Order or in the DIP Documents, the DIP Obligations and the Adequate Protection Obligations, including the DIP Liens, the Superpriority Claims, the 507(b) claims, the Adequate Protection Liens, the Adequate Protection Claims, the Adequate Protection Payments and all other rights and remedies of the DIP Agents, the DIP Lenders and the Prepetition Secured Parties granted by the provisions of this Final Order and the DIP Documents shall survive, and shall not be modified, impaired or discharged by (i) the entry of an order converting any of these Chapter 11 Cases to a case under Chapter 7, dismissing these Chapter 11 Cases, approving the sale of any DIP Collateral pursuant to section 363(b) of the Bankruptcy Code (except to the extent permitted by the DIP Documents, or except to the extent that a release of such liens is authorized under the Intercreditor Arrangements) or by any other act or omission or (ii) the entry of an order confirming a plan of reorganization in these Chapter 11 Cases (except an acceptable plan to the DIP Agents and DIP Lenders under the DIP Documents) and, pursuant to section 1141 (d)(4) of the Bankruptcy Code, the Debtors have waived any discharge as to any remaining DIP Obligations or Adequate Protection Obligations. The terms and provisions of this Final Order and the DIP Documents shall continue in the Chapter 11 Cases, in any successor cases, or in any superseding Chapter 7 cases under the Bankruptcy Code, and the DIP Obligations and the Adequate Protection

Obligations, including the DIP Liens, the Superpriority Claims, the 507(b) claims, the Adequate Protection Liens, the Adequate Protection Claims, the Adequate Protection Payments, the other administrative expense claims granted pursuant to this Final Order and all other rights and remedies of the DIP Agents, the DIP Lenders and the Prepetition Secured Parties granted under the DIP Documents and this Final Order shall continue in full force and effect and shall be binding on any Chapter 7 trustee, Chapter 11 trustee, any litigation trust representative, other or similar party hereinafter appointed or elected for the estates of the Debtors until all DIP Obligations and all Adequate Protection Obligations (if any and in an amount as determined by the Bankruptcy Court, and with respect to the Prepetition ABL Adequate Protection Obligations, so long as the Challenge Period has not expired) are indefeasibly paid in full in cash as set forth herein and the DIP Documents.

(26) *Exculpation*. Nothing in this Final Order, the Interim Order, the DIP Documents, or any other documents related to the transactions contemplated hereby shall in any way be construed or interpreted to impose or allow the imposition upon any DIP Agent or any DIP Lender any liability for any claims arising from the prepetition or postpetition activities of the Debtors in the operation of their businesses, or in connection with their restructuring efforts. In addition, (a) the DIP Agents and the DIP Lenders shall not, in any way or manner, be liable or responsible for (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, servicer, bailee, custodian, forwarding agency, or other person, and (b) all risk of loss, damage, or destruction of the DIP Collateral shall be borne by the Debtors; provided that, (i) the foregoing shall not apply to any act or omission by the DIP Agents

or the DIP Lenders that constitutes gross negligence or willful misconduct by the DIP Agents or the DIP Lenders as finally determined by a court of competent jurisdiction.

(27) *Effect of Stipulations on Third Parties*.

(a) The stipulations and admissions contained in this Final Order, including, without limitation, in paragraph 7 of this Final Order, shall be binding upon each Debtor and their subsidiaries and any of their respective successors and assigns (including, without limitation, any Chapter 7 or Chapter 11 trustee appointed or elected for a Debtor), and each person or entity party to the DIP Documents in accordance with their respective terms and the terms of this Final Order, in all circumstances.

(b) The stipulations and admissions contained in this Final Order, including without limitation, in paragraph 7 of this Final Order, shall be binding on a permanent basis upon all other parties in interest, including without limitation, the Debtors, as debtors-in-possession, and the Debtors' estates, any Chapter 7 trustee, and any statutory or non-statutory committees appointed or formed in the Chapter 11 Cases (including the Creditors Committee) and any other person or entity acting on behalf of the Debtors' estates, unless (a) such committee or any other party-in-interest, in each case, with requisite standing granted by the Bankruptcy Court, has timely and properly filed an adversary proceeding or contested matter (subject to the limitations contained herein, including, *inter alia*, in paragraph 27) by no later than the date that is the later of (i) in the case of any such adversary proceeding or contested matter filed by a party-in-interest with requisite standing other than the Creditors Committee, 60 days' after the date of entry of this Final Order, (ii) in the case of any such adversary proceeding or contested

matter filed by the Creditors Committee, which Creditors Committee is hereby granted standing to file any such adversary proceeding or contested matter as a representative of the Debtors' estates, 60 days after the appointment of the Creditors Committee, (iii) any such later date agreed to in writing by the Prepetition ABL Agent or the Prepetition Indenture Trustee, as applicable, and (iv) such longer period as the Bankruptcy Court orders for cause shown prior to the expiration of such period (the "**Challenge Period**"), (1) challenging the validity, enforceability, priority, extent, or amount of the obligations under the Prepetition Financing Documents (the "**Prepetition Obligations**") or the liens on the Prepetition Collateral securing the Prepetition Obligations or (2) otherwise asserting or prosecuting any avoidance actions or any other claims, counterclaims or causes of action, objections, contests or defenses (collectively, the "**Claims and Defenses**") against the Prepetition Secured Parties or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors in connection with any matter related to the Prepetition Obligations or the Prepetition Collateral, and (b) an order is entered by a court of competent jurisdiction and becomes final and non-appealable in favor of the plaintiff sustaining any such challenge or claim in any such duly filed adversary proceeding or contested matter; provided that, (i) as to the Debtors, all such Claims and Defenses are hereby irrevocably waived and relinquished as of the Commencement Date and (ii) any challenge or claim shall set forth with specificity the basis for such challenge or claim and any challenges or claims not so specified prior to the expiration of the Challenge Period shall be forever deemed waived, released and barred. If no such adversary proceeding or contested matter is timely and properly filed in respect of the Prepetition Obligations, (x) the Prepetition ABL Obligations to the extent not heretofore repaid and the other Prepetition Obligations shall constitute allowed claims, not subject to counterclaim, setoff, subordination, recharacterization, subordination,

defense or avoidance, for all purposes in the Chapter 11 Cases and any subsequent Chapter 7 case, (y) the liens on the Prepetition Collateral securing the Prepetition Obligations, as the case may be, shall be deemed to have been, as of the Commencement Date, and to be, legal, valid, binding, perfected and of the priority specified in paragraph 7(b), not subject to defense, counterclaim, recharacterization, subordination or avoidance and (z) the Prepetition Obligations, the Prepetition Secured Parties, and the liens on the Prepetition Collateral granted to secure the Prepetition Obligations, as the case may be, shall not be subject to any other or further challenge by any statutory or non-statutory committees appointed or formed in the Chapter 11 Cases or any other party-in-interest, and such committee or party-in-interest shall be enjoined from seeking to exercise the rights of the Debtors' estates, including without limitation, any successor thereto (including, without limitation, any estate representative or a Chapter 7 or 11 trustee appointed or elected for any of the Debtors) with respect thereto. If any such adversary proceeding or contested matter is timely and properly filed, the stipulations and admissions contained in paragraph 7 of this Final Order shall nonetheless remain binding and preclusive (as provided in the second sentence of this subparagraph) on any statutory or non-statutory committees appointed or formed in the Chapter 11 Cases and any other party-in-interest, except as to any such findings and admissions that were expressly and successfully challenged in such adversary proceeding or contested matter as set forth in a final, non-appealable order of a court of competent jurisdiction. In the event that there is a timely successful challenge, pursuant and subject to the limitations contained in this paragraph 27, to the validity, enforceability, extent, perfection or priority of the Prepetition ABL Debt, the Bankruptcy Court shall have the power to unwind or otherwise modify, after notice and hearing, the discharge of the Prepetition ABL Debt or a portion thereof (which might include payment of the Disgorged Amounts or re-allocation of

interest, fees, principal or other incremental consideration paid in respect of the Prepetition ABL Debt or the avoidance of liens and/or guarantees with respect to the Debtors), as the Bankruptcy Court shall determine. If the validity, enforceability, extent perfection or priority of the Prepetition ABL Debt is successfully challenged as noted above, the provisions of this Final Order regarding adequate protection liens shall be adjusted as the Bankruptcy Court shall determine. Except as otherwise provided by this paragraph, nothing in this Final Order vests or confers on any Person (as defined in the Bankruptcy Code), including any statutory or non-statutory committees appointed or formed in the Chapter 11 Cases, standing or authority to pursue any cause of action belonging to the Debtors or their estates, including, without limitation, Claims and Defenses with respect to the Prepetition Loan Documents or the Prepetition Obligations or any liens granted by any Debtor to secure any of the foregoing.

(28) *Limitation on Use of DIP Facilities and DIP Collateral.* (a) Notwithstanding anything herein or in any other order by the Bankruptcy Court to the contrary, no borrowings, letters of credit, Cash Collateral, Collateral, Carve Out or the Carve Out Cap may be used to (i) object, contest or raise any defense to, the validity, perfection, priority, extent or enforceability of any amount due under the DIP Documents or the Prepetition Financing Documents, or the liens or claims granted under the Interim Order or this Final Order, the DIP Documents or the Prepetition Financing Documents, (ii) assert any Claims and Defenses or causes of action against the DIP Agents, the DIP Lenders, the Prepetition ABL Agent, the Prepetition ABL Lenders, the Prepetition Secured Noteholders, or the Prepetition Indenture Trustee, or their respective agents, affiliates, representatives, attorneys or advisors (none of which, for the avoidance of doubt, shall include Platinum), (iii) prevent, hinder or otherwise delay the DIP Agents' assertion, enforcement or realization on the Cash Collateral or the

Collateral in accordance with the DIP Documents, the Prepetition Financing Documents, the Interim Order or this Final Order, (iv) seek to modify any of the rights granted to the DIP Agents, the DIP Lenders, the Prepetition ABL Agent, the Prepetition ABL Lenders, the Prepetition Indenture Trustee, or the Prepetition Secured Noteholders hereunder or under the DIP Documents, the Prepetition Financing Documents or the Prepetition Secured Indenture, in each of the foregoing cases without such parties' prior written consent or (v) pay any amount on account of any claims arising prior to the Commencement Date unless such payments are (1) approved by an order of the Bankruptcy Court (including hereunder) and (2) in accordance with the DIP Documents and the 13-Week Projection; provided that, in accordance with the Carve Out, advisors to the Creditors Committee may investigate the liens granted pursuant to the Prepetition Financing Documents during the Challenge Period at an aggregate expense for such investigation, but not litigation, prosecution, objection or challenge thereto, not to exceed $75,000; provided, further, and for the avoidance of doubt, nothing in this paragraph 28 shall limit or impair the right and ability of the Creditors Committee and its professionals to undertake, and to receive compensation in respect of, any analysis, investigation, discovery, motion practice, and/or objection (or any other actions the Creditors Committee deems appropriate in its sole discretion) regarding (i) any terms of any proposed disclosure statement(s) or plan(s) of reorganization in respect of these Chapter 11 Cases or (ii) any other items in these Chapter 11 Cases that do not relate directly to the validity, perfection, priority, extent or enforceability of the liens and claims granted to the DIP Lenders and the Prepetition Secured Parties pursuant to this Final Order.

(29) *Intercreditor Arrangements.* The Bankruptcy Court approves the Intercreditor Arrangements annexed hereto as **Exhibit "1"** and authorizes the Debtors to execute

and perform under any related documents and to perform all such other and further acts as may be necessary or appropriate to comply with and fulfill the obligations under the Intercreditor Arrangements. Notwithstanding anything to the contrary herein or in any other order of the Bankruptcy Court, in determining the relative priorities and rights of any Prepetition Secured Party as against any other Prepetition Secured Party (including, without limitation, the relative priorities and rights of the Prepetition Secured Parties with respect to the Adequate Protection Liens granted hereunder), such priorities and rights shall continue to be governed by the Prepetition Financing Documents. The Intercreditor Arrangements shall survive the conversion or dismissal of any of the Chapter 11 Cases or any relief from the automatic stay granted in the Chapter 11 Cases.

(30) *Proofs of Claim*. None of the DIP Agent, DIP Lenders, or the Prepetition Secured Parties will be required to file proofs of claim in any of Chapter 11 Cases or any successor case, and the Debtor's stipulations in this Final Order shall be deemed to constitute a timely filed proof of claim. Any order entered by the Bankruptcy Court in connection with the establishment of a bar date for any claim (including without limitation administrative claims) in the Chapter 11 Cases or any successor case shall not apply to the DIP Agent, the DIP Lenders, or the Prepetition Secured Parties.

(31) *Rights of Access and Information*. Without limiting the rights of access and information afforded the DIP Agents and DIP Lenders under the DIP Documents or the Prepetition Secured Parties under the Prepetition Financing Documents, the Debtors shall be, and hereby are, required to afford representatives, agents and/or employees of the DIP Agent, the DIP Lenders and the Prepetition Secured Parties reasonable access to the Debtors' premises and their books and records in accordance with the DIP Documents and the Prepetition Financing

Documents, as the case may be, and shall reasonably cooperate, consult with, and provide to such persons all such information as may be reasonably requested. In addition, the Debtors authorize their independent certified public accountants, financial advisors, restructuring advisers, investment bankers and consultants to cooperate, consult with, and provide to the DIP Agents, and the Prepetition Indenture Trustee (and so long as an Event of Default has occurred and is continuing, each Prepetition Secured Party and DIP Lender) all such information as may be reasonably requested with respect to the business, results of operations and financial condition of the Debtors.

(32) *Amendments to DIP Credit Agreements*. Certain provisions of the DIP ABL Credit Agreement and the DIP Term Loan Credit Agreement are hereby modified as follows:

(a) Milestones. (i) "June 30, 2015" in section 11.1.21(c) of both the DIP ABL Credit Agreement and the DIP Term Loan Credit Agreement shall be replaced with "July 15, 2015" and (ii) "July 17, 2015" in section 11.1.21(d) of both the DIP ABL Credit Agreement and the DIP Term Loan Credit Agreement shall be replaced with "July 31, 2015."

(b) Financial Covenants. The reference to "$10,000,000" in Section 9.3 of the DIP Term Loan Agreement and Section 1 of Exhibit F to the DIP Term Loan Agreement shall be replaced with "$12,000,000".

(33) *Order Governs*. In the event of any inconsistency between the provisions of the Interim Order or this Final Order and the DIP Documents, the provisions of the Interim Order or this Final Order, as applicable, shall govern. Additionally, to the extent that there may be an inconsistency between the terms of the Interim Order or this Final Order and that certain

Case Management Order No. 1 (ECF No. 126) as the same may be supplemented and amended from time to time, the terms of this Final Order shall govern.

(34) *Binding Effect; Successors and Assigns*. The DIP Documents, the provisions of the Interim Order and this Final Order, including all findings herein, and the Intercreditor Arrangements, shall be binding upon all parties-in-interest in the Chapter 11 Cases on a permanent basis, including without limitation, the DIP Agents, the DIP Lenders, the Prepetition Secured Parties, any statutory or non-statutory committees appointed or formed in the Chapter 11 Cases, and the Debtors and their respective successors and assigns (including any Chapter 7 or chapter 11 trustee hereinafter appointed or elected for any of the Debtors, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any of the Debtors, or similar responsible person or similar designee or litigation trust hereinafter appointed or elected for the estates of the Debtors) and shall inure to the benefit of the DIP ABL Agent, the DIP Term Loan Agent, the DIP Lenders, the Prepetition Secured Parties, the Creditors Committee and the Debtors and their respective successors and assigns, including after conversion or dismissal of any of the Chapter 11 Cases; provided that, except to the extent expressly set forth in this Final Order, the DIP Agents, the DIP Lenders, and the Prepetition Secured Parties shall have no obligation to permit the use of Cash Collateral or extend any financing to any Chapter 7 trustee, chapter 11 trustee or similar responsible person or similar designee or litigation trust hereunder appointed for the estates of the Debtors.

(35) *Limitation of Liability*. In determining to make any loan under the DIP Documents, permitting the use of Cash Collateral or in exercising any rights or remedies as and when permitted pursuant to this Final Order or the DIP Documents, the DIP Agents, the DIP

Lenders and the Prepetition Secured Parties shall not be deemed to be in control of the operations of the Debtors or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtors (as such terms, or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601 et seq. as amended, or any similar federal or state statute). Furthermore, nothing in this Final Order or in the DIP Documents shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Agents, the DIP Lenders, or the Prepetition Secured Parties of any liability for any claims arising from the prepetition or postpetition activities of any of the Debtors and their affiliates (as defined in section 101(2) of the Bankruptcy Code).

(36) *Effectiveness.* Except as otherwise noted herein, this Final Order shall constitute findings of fact and conclusions of law and shall take effect immediately upon execution hereof as of the Commencement Date, and there shall be no stay of execution of effectiveness of this Final Order. Any stay of the effectiveness of this Final Order under Bankruptcy Rule 6004 or otherwise is waived.

Dated: April 10, 2015
New York, New York

s/Michael E. Wiles
Honorable Michael E. Wiles
United States Bankruptcy Judge

EXHIBIT 1 – INTERCREDITOR ARRANGEMENTS

Capitalized terms used in this Exhibit I and not defined in this Exhibit shall have the meanings assigned to such terms in the Final Order.

1. DEFINITIONS.

"Access Agreement" – means that certain Access Agreement by and among Chassix, Inc., as Supplier, UC Holdings, Inc., PNC Bank, National Association and Cantor Fitzgerald Securities, as the DIP Agents, and General Motors LLC, Ford Motor Company, Nissan North America, Inc., and FCA US LLC f/k/a Chrysler Group LLC, as Customers.

"DIP ABL Secured Parties" – means the "Secured Parties" (as defined in the DIP ABL Credit Agreement).

"Discharge of DIP ABL Obligations" - means (A) termination of all commitments of the DIP ABL Secured Parties under the DIP ABL Facility Documents and (B) with respect to (i) any DIP ABL Obligations (other than contingent indemnification and contingent expense reimbursement obligations, in each case, for which no claims have been asserted), payment in full in cash of all DIP ABL Obligations, and, with respect to letters of credit or letter of credit guaranties outstanding under the DIP ABL Facility Documents, either (x) cancellation and return to the DIP ABL Agent of all letters of credit or letter of credit guaranties outstanding under the DIP ABL Facility Documents or (y) delivery of cash collateral in respect thereof in a manner consistent with the DIP ABL Credit Agreement; and (ii) any DIP ABL Obligations that are contingent in nature (other than DIP ABL Obligations consisting of LC Obligations or Secured Bank Product Obligations (each as defined in the DIP ABL Credit Agreement) of a DIP Loan Party, which are addressed in subparagraph B(i) above), the depositing of cash with the DIP ABL Agent in an

amount equal to 100% of any such DIP ABL Obligations that have been liquidated or, if such DIP ABL Obligations are unliquidated in amount and represent a claim which has been asserted against the DIP ABL Agent or a DIP ABL Secured Party and for which an indemnity has been provided by the DIP Loan Parties in any of the DIP ABL Facility Documents, in an amount that is equal to such claim or the DIP ABL Agent's good faith estimate of such claim; provided that the Discharge of DIP ABL Obligations shall not be deemed to have occurred if such payments are made with the proceeds of other DIP ABL Obligations that constitute an exchange or replacement for or a Refinancing of such DIP ABL Obligations.

"Discharge of DIP Term Loan Obligations" - means (A) termination of all commitments under the DIP Term Loan Documents, and (B) payment in full in cash of all DIP Term Loan Obligations and satisfaction and discharge of the DIP Term Loan Credit Agreement (other than obligations that expressly survive such satisfaction and discharge or legal or covenant defeasance).

"Discharge of Prepetition Secured Notes Obligations" - means payment in full in cash of all Prepetition Secured Notes Obligations, satisfaction and discharge of the Prepetition Secured Indenture or legal or covenant defeasance of the Prepetition Secured Indenture (other than obligations that expressly survive such satisfaction and discharge or legal or covenant defeasance).

"Discharge of Fixed Asset Obligations" – means, collectively, the Discharge of DIP Term Loan Obligations and Discharge of Prepetition Secured Notes Obligations.

"Enforcement Notice" – means a written notice delivered, at a time when an event of default has occurred and is continuing under the DIP ABL Facility Documents, the DIP Term Loan

Documents or the Prepetition Secured Indenture, by the DIP ABL Agent, the DIP Term Loan Agent or the Prepetition Indenture Trustee, as applicable, to the other parties, specifying the relevant event of default.

"Fixed Asset Obligations" – means, collectively, the DIP Term Loan Obligations and the Prepetition Secured Notes Obligations.

"Fixed Asset Secured Parties" – means, collectively, the Prepetition Indenture Trustee, the Prepetition Secured Noteholders, the DIP Term Loan Agent and the DIP Term Loan Lenders.

"Premises" – means any real property owned or leased by the DIP Loan Parties at which any DIP Collateral is located.

"Prepetition Secured Notes Documents" – means Prepetition Secured Indenture and the other Senior Secured Notes Documents (as defined in the Prepetition Secured Indenture).

"Prepetition Secured Notes Obligations" – means all obligations outstanding under the Prepetition Secured Notes.

"Proceeds" means (a) all "proceeds," as defined in Article 9 of the UCC, with respect to the DIP Collateral, and (b) whatever is recoverable or recovered when any DIP Collateral is sold, exchanged, collected or disposed of, whether voluntarily or involuntarily.

"Refinance" means, in respect of any indebtedness, to refinance, extend, renew, defease, amend, increase, modify, supplement, restructure, refund, replace or repay, or to issue other indebtedness or enter alternative financing arrangements, in exchange or replacement for such indebtedness, in whole or in part, including by adding or replacing lenders, creditors, agents, borrowers and/or

guarantors, including any increase in the principal amount of the loans and commitments provided thereunder, and including in each case, but not limited to, after the original instrument giving rise to such indebtedness has been terminated. "Refinanced" and "Refinancing" have correlative meanings.

"Secured Party Representative" means, collectively, the DIP ABL Agent, the DIP Term Loan Agent and the Prepetition Indenture Trustee.

"UCC" means the Uniform Commercial Code of any applicable jurisdiction.

2. Exercise of Remedies on DIP ABL Priority Collateral by Fixed Asset Secured Parties

(a) Until the Discharge of DIP ABL Obligations, the Fixed Asset Secured Parties:

(i) will not exercise or seek to exercise any rights, powers, or remedies with respect to any DIP ABL Priority Collateral;

(ii) will not, directly or indirectly, contest, protest or object to or hinder any judicial or non-judicial foreclosure proceeding or action (including any partial or complete strict foreclosure) brought by the DIP ABL Agent or any other DIP ABL Lender relating to the DIP ABL Priority Collateral or any other exercise by the DIP ABL Agent or any other DIP ABL Lender of any other rights, powers and remedies relating to the DIP ABL Priority Collateral, including any sale, lease, exchange, transfer or other disposition of the DIP ABL Priority Collateral, whether under the DIP ABL Facility Documents, applicable law, or otherwise;

(iii) will not object to the forbearance by the DIP ABL Agent or the DIP ABL Lenders from bringing or pursuing any enforcement action with respect to the DIP ABL Priority Collateral;

(iv) except as may be permitted by Section 2(c), irrevocably, absolutely and unconditionally waive any and all rights the Fixed Asset Secured Parties may have as a junior lien creditor or otherwise to object (and seek or be awarded any relief of any nature whatsoever based on any such objection) to the manner in which the DIP ABL Agent or the DIP ABL Lenders (i) enforce or collect (or attempt to collect) the DIP ABL Obligations or (ii) realize or seek to realize upon or otherwise enforce the DIP ABL Facility Liens, regardless of whether any action or failure to act by or on behalf of the DIP ABL Agent or the DIP ABL Lenders is adverse to the interest of the Fixed Asset Secured Parties. Without limiting the generality of the foregoing, the Fixed Asset Secured Parties shall be deemed to have irrevocably, absolutely and unconditionally waived any right to object (and seek to be awarded any relief of any nature whatsoever based on any such objection), at any time prior or subsequent to any disposition of any of the DIP ABL Priority Collateral, on the ground(s) that any such disposition of the DIP ABL Priority Collateral (x) would not be or was not "commercially reasonable" within the meaning of the UCC and/or (y) would not or did not comply with any other requirement under the UCC or under any other applicable law governing the manner in which a secured creditor is to realize on its collateral;

(v) subjection to Section 2(c), acknowledge and agree that no covenant, agreement or restriction in the documents evidencing the liens and claims of the Fixed Asset Secured Parties shall be deemed to restrict in any way the rights and

remedies of the DIP ABL Agent or the DIP ABL Lenders with respect to the DIP ABL Priority Collateral; and

(vi) subject to Section 2(c), agree that none of them shall object (or support any other Person objecting) to any motion by the DIP ABL Agent or the other DIP ABL Lenders seeking relief from the automatic stay in respect of the DIP ABL Priority Collateral;

provided that, in the case of (i), (ii) and (iii) above, the liens granted to secure the Fixed Asset Obligations shall attach to any Proceeds resulting from actions taken by the DIP ABL Agent or any DIP ABL Security Party with respect to the DIP ABL Priority Collateral in accordance with the Intercreditor Arrangements (including the priorities described in Section 2) after application of such Proceeds to the extent necessary to meet the requirements of a Discharge of DIP ABL Obligations.

(b) Until the Discharge of DIP ABL Obligations, the DIP ABL Agent and the other DIP ABL Lenders shall have the right to enforce rights, exercise remedies (including set-off and the right to credit bid their debt) and, in connection therewith (including voluntary dispositions of DIP ABL Priority Collateral by the Debtors after an Event of Default under the DIP ABL Facility Documents) make determinations regarding the release, disposition or restrictions with respect to the DIP ABL Priority Collateral (including, without limitation, exercising remedies under account control agreements and lockbox agreements) without any consultation with, notice to or the consent of the Fixed Asset Secured Parties; provided that the liens securing the obligations owed to the Fixed Asset Secured Parties shall remain on the Proceeds (other than those properly applied to the DIP ABL Obligations) of such DIP ABL Priority Collateral released or disposed of (for

clarity, to the extent that the DIP ABL Agent or DIP ABL Lenders acquire DIP ABL Priority Collateral via credit bid, then there shall be no Proceeds and the liens of the Fixed Assets Secured Parties on the DIP ABL Priority Collateral that is subject to such credit bid shall be discharged). In exercising rights, powers and remedies with respect to the DIP ABL Priority Collateral, the DIP ABL Agent and the DIP ABL Lenders may enforce the provisions of the DIP ABL Facility Documents and exercise rights, powers and/or remedies thereunder and/or under applicable law or otherwise, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include, without limitation, the rights of an agent appointed by them to sell or otherwise dispose of the DIP ABL Priority Collateral upon foreclosure, to incur expenses in connection with such sale or disposition and to exercise all the rights and remedies of a secured creditor under the UCC.

(c) Notwithstanding anything to the contrary contained herein, any Fixed Asset Secured Party may:

(i) take any action (not inconsistent with the terms of the Intercreditor Arrangements and not adverse to the priority status of the DIP Liens on the DIP ABL Priority Collateral, or the rights of the DIP ABL Agent or any of the DIP ABL Secured Parties to exercise rights, powers, and/or remedies in respect thereof) in order to create, perfect, preserve or protect (but not enforce) its DIP Liens and Adequate Protection Liens on any of the DIP ABL Priority Collateral;

(ii) file any necessary or appropriate responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims or

DIP Liens of the Fixed Asset Secured Parties, including any claims secured by the DIP ABL Priority Collateral, if any, in each case in accordance with the terms of the Intercreditor Arrangements;

(iii) unless such Fixed Asset Secured Party would not be permitted under the Intercreditor Arrangements to take such action in its capacity as a secured creditor, file (A) any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Debtors, in each case, in accordance with the terms of the Prepetition Financing Documents and the DIP Documents, as applicable, and applicable law; provided that in the event that any Fixed Asset Secured Party becomes a judgment Lien creditor in respect of the DIP ABL Priority Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the Fixed Asset Obligations, such judgment Lien shall be subject to the terms of the Intercreditor Arrangements for all purposes (including in relation to the DIP ABL Obligations) as the other liens securing the Fixed Asset Obligations are subject to the Intercreditor Arrangements and (B) any pleadings, objections, motions or agreements which assert rights or interests available to secured creditors solely with respect to the Fixed Asset Collateral; and

(iv) vote on any plan of reorganization, file any proof of claim, impose a default rate or late fees, collect and apply monies deposited from time to time in their accounts to the extent constituting Fixed Asset Collateral against the Fixed Asset Obligations, make other filings and make any arguments and motions (including in support of or opposition to, as applicable, the confirmation or approval of any

plan of reorganization) that are, in each case, in accordance with the terms of the Intercreditor Arrangements.

(d) Nothing in the Intercreditor Arrangements shall prohibit the receipt by any Fixed Asset Secured Parties of the required payments of interest, principal, adequate protection payments and other amounts owed in respect of the Fixed Asset Obligations, so long as such receipt is not the direct or indirect result of the exercise by the Fixed Asset Secured Parties of rights or remedies as a secured creditor (including set-off) with respect to the DIP ABL Priority Collateral or enforcement in contravention of the Intercreditor Arrangements of any lien held by any of them. Nothing in the Intercreditor Arrangements impairs or otherwise adversely affects any rights or remedies any Fixed Asset Secured Party may have against the Debtors and the DIP Loan Parties under the DIP Term Loan Documents or the Prepetition Financing Documents.

3. Exercise of Remedies on DIP Term Loan Priority Collateral by DIP ABL Agent

(a) Until the Discharge of Fixed Asset Obligations, the DIP ABL Agent and the DIP ABL Secured Parties:

(i) will not exercise or seek to exercise any rights, powers, or remedies with respect to any DIP Term Loan Priority Collateral;

(ii) will not, directly or indirectly, contest, protest or object to or hinder any judicial or non-judicial foreclosure proceeding or action (including any partial or complete strict foreclosure) brought by any Fixed Asset Secured Party relating to the DIP Term Loan Priority Collateral or any other exercise by any Fixed Asset Secured Party of any other rights, powers and remedies relating to the DIP Term Loan Priority Collateral, including any sale, lease, exchange, transfer or other

disposition of the DIP Term Loan Priority Collateral, whether under the DIP Term Loan Facility Documents, applicable law, or otherwise;

(iii) will not object to the forbearance by the DIP Term Loan Agent or any Fixed Asset Secured Party from bringing or pursuing any enforcement action with respect to the DIP Term Loan Priority Collateral;

(iv) except as may be permitted by Section 3(c), irrevocably, absolutely and unconditionally waive any and all rights the DIP ABL Agent or any DIP ABL Lender may have as a junior lien creditor or otherwise to object (and seek or be awarded any relief of any nature whatsoever based on any such objection) to the manner in which the DIP Term Loan Agent or the Fixed Asset Secured Parties (i) enforce or collect (or attempt to collect) the Fixed Asset Obligations or (ii) realize or seek to realize upon or otherwise enforce the liens on the DIP Term Loan Priority Collateral, regardless of whether any action or failure to act by or on behalf of the DIP Term Loan Agent or the Fixed Asset Secured Parties is adverse to the interest of the DIP ABL Agent or the DIP ABL Lenders. Without limiting the generality of the foregoing, the DIP ABL Agent and the DIP ABL Lenders shall be deemed to have irrevocably, absolutely and unconditionally waived any right to object (and seek to be awarded any relief of any nature whatsoever based on any such objection), at any time prior or subsequent to any disposition of any of the DIP Term Loan Priority Collateral, on the ground(s) that any such disposition of the DIP Term Loan Priority Collateral (x) would not be or was not "commercially reasonable" within the meaning of the UCC and/or (y) would not or did not comply with any other requirement under the UCC or under any other

applicable law governing the manner in which a secured creditor is to realize on its collateral;

(v) subject to Section 3(c), acknowledge and agree that no covenant, agreement or restriction in the documents evidencing the liens and claims of the DIP ABL Lenders shall be deemed to restrict in any way the rights and remedies of the DIP Term Loan Agent or the Fixed Asset Secured Parties with respect to the DIP Term Loan Priority Collateral; and

(vi) subject to Section 3(c), agree that none of them shall object (or support any other Person objecting) to any motion by the DIP Term Loan Agent or the other Fixed Asset Secured Parties seeking relief from the automatic stay in respect of the DIP Term Loan Priority Collateral;

provided that, in the case of (i), (ii) and (iii) above, the liens granted to secure the DIP ABL Obligations shall attach to any Proceeds resulting from actions taken by the DIP Term Loan Agent or any Fixed Asset Secured Party with respect to the DIP Term Loan Priority Collateral in accordance with the Intercreditor Arrangements (including the priorities described in Section 3) after application of such Proceeds to the extent necessary to meet the requirements of a Discharge of Fixed Asset Obligations.

(b) Until the Discharge of Fixed Asset Obligations, the DIP Term Loan Agent and the other Fixed Asset Secured Parties shall have the right to enforce rights, exercise remedies (including set-off and the right to credit bid their debt) and, in connection therewith (including voluntary dispositions of DIP Term Loan Priority Collateral by the Debtors after an Event of Default under the DIP Term Loan Facility Documents) make determinations regarding the release, disposition or restrictions with respect to the DIP

Term Loan Priority Collateral (including, without limitation, exercising remedies under account control agreements and lockbox agreements) without any consultation with, notice to or the consent of the DIP ABL Agent or the DIP ABL Lenders; provided that the liens securing the obligations owed to the DIP ABL Lenders shall remain on the Proceeds (other than those properly applied to the Fixed Asset Obligations) of such DIP Term Loan Priority Collateral released or disposed of. In exercising rights, powers and remedies with respect to the DIP Term Loan Priority Collateral, the DIP Term Loan Agent and the Fixed Asset Secured Parties may enforce the provisions of the DIP Term Loan Facility Documents and exercise rights, powers and/or remedies thereunder and/or under applicable law or otherwise, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of the DIP Term Loan Priority Collateral upon foreclosure, to incur expenses in connection with such sale or disposition and to exercise all the rights and remedies of a secured creditor under the UCC.

(c) Notwithstanding anything to the contrary contained herein, the DIP ABL Agent and any DIP ABL Secured Party may:

(i) take any action (not inconsistent with the terms of the Intercreditor Arrangements and not adverse to the priority status of the DIP Liens on the DIP Term Loan Priority Collateral, or the rights of the DIP Term Loan Agent or any of the Fixed Asset Secured Parties to exercise rights, powers, and/or remedies in respect thereof) in order to create, perfect, preserve or protect (but not enforce) its DIP Liens and Adequate Protection Liens on any of the DIP Term Loan Priority Collateral;

(ii) file any necessary or appropriate responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims or DIP Liens of the DIP ABL Secured Parties, including any claims secured by the DIP Term Loan Priority Collateral, if any, in each case in accordance with the terms of the Intercreditor Arrangements;

(iii) unless such DIP ABL Agent or DIP ABL Secured Party would not be permitted under the Intercreditor Arrangements to take such action in its capacity as a secured creditor, file (A) any pleadings, objections, motions or agreements which assert rights or interests available to unsecured creditors of the Debtors in accordance with the terms of the DIP Documents and applicable law; provided that in the event that any DIP ABL Secured Party becomes a judgment Lien creditor in respect of the DIP Term Loan Priority Collateral as a result of its enforcement of its rights as an unsecured creditor with respect to the DIP ABL Obligations, such judgment Lien shall be subject to the terms of the Intercreditor Arrangements for all purposes (including in relation to the Fixed Asset Obligations) as the other liens securing the DIP ABL Obligations are subject to the Intercreditor Arrangements and (B) any pleadings, objections, motions or agreements which assert rights or interests available to secured creditors solely with respect to the DIP ABL Collateral; and

(iv) vote on any plan of reorganization, file any proof of claim, make other filings and make any arguments and motions (including in support of or opposition to, as applicable, the confirmation or approval of any plan of reorganization) that are, in each case, in accordance with the terms of the Intercreditor Arrangements.

(d) in the Intercreditor Arrangements shall prohibit the receipt by the DIP ABL Agent or any DIP ABL Lender of the required payments of interest, principal, adequate protection

payments and other amounts owed in respect of the DIP ABL Obligations, so long as such receipt is not the direct or indirect result of the exercise by the DIP ABL Agent or any DIP ABL Lender of rights or remedies as a secured creditor (including set-off) with respect to the DIP Term Loan Priority Collateral or enforcement in contravention of the Intercreditor Arrangements of any Lien held by any of them. Nothing in the Intercreditor Arrangements impairs or otherwise adversely affects any rights or remedies the DIP ABL Agent or any DIP ABL Lender may have against the Debtors and the DIP Loan Parties under the DIP ABL Documents.

4. Bailee for Perfection

Each Secured Party Representative agrees to hold that part of the DIP Collateral that is in its possession or control to the extent that possession or control thereof is taken to perfect a lien thereon as gratuitous bailee and agent for the benefit and on behalf of the other Secured Party Representatives (to the extent that such Secured Party Representative has been granted a lien on such DIP Collateral pursuant to DIP ABL Facility Documents, the Prepetition Secured Notes Documents and DIP Term Loan Documents, respectively) (such bailment and agency being intended, among other things, to satisfy the requirements of Sections 8-106(d)(3), 8-301 (a)(2), 9- 104(a) and 9-313(c) of the UCC) and any assignee solely for the purpose of perfecting the applicable security interest granted under the DIP ABL Facility Documents, the Prepetition Secured Notes Documents and DIP Term Loan Documents, respectively. The Fixed Asset Secured Parties hereby appoint the DIP ABL Agent as their agent for the purposes of perfecting their security interest in all Deposit Accounts and Securities Accounts (in each case, other than the DIP Term Loan Collateral Account and the Prepetition Secured Notes Collateral Account (each as defined in the DIP ABL Credit Agreement as in effect on the date hereof)) of the DIP Loan Parties. The DIP ABL Agent and the DIP ABL Secured Parties hereby appoint the

Prepetition Indenture Trustee and the DIP Term Loan Agent, as applicable, as their agent for the purposes of perfecting their security interest in all intercompany notes of the DIP Loan Parties. Upon the Discharge of DIP ABL Obligations or the Discharge of DIP Term Loan Obligations, as applicable, the applicable Secured Party Representative shall deliver the remaining DIP Collateral in its possession together with any necessary endorsements, first, (i) in the case of DIP Term Loan Priority Collateral, to the Prepetition Indenture Trustee and (ii) in the case of DIP ABL Priority Collateral, to the DIP Term Loan Agent, to the extent the applicable Obligations remain outstanding, and second, (i) in the case of DIP Term Loan Priority Collateral, to the applicable DIP Loan Party or as otherwise required by law and (ii) in the case of DIP ABL Priority Collateral, to the Prepetition Indenture Trustee, to the extent the applicable Obligations remain outstanding and third, in the case of DIP ABL Priority Collateral, to the applicable DIP Loan Party or as otherwise required by law, in each case, so as to allow such Person to obtain possession or control of such DIP Collateral.

5. IP License

For the purposes of enabling the DIP ABL Agent to exercise rights and remedies under the Final Order, the Fixed Asset Secured Parties and each DIP Loan Party hereby grants (to the full extent of their respective rights and interests) the DIP ABL Agent and its agents, representatives and designees an irrevocable, non-exclusive, royalty-free, rent-free license and lease (which will be binding on any successor or assignee of any DIP Term Loan Priority Collateral) to use all of the DIP Term Loan Priority Collateral (including, without limitation, all intellectual property) to collect all accounts included in DIP ABL Priority Collateral, to copy, use, or preserve any and all information relating to any of the DIP ABL Priority Collateral, and to complete the manufacture, packaging, advertising for sale and sale of (i) work-in-process, (ii) raw materials and (iii) complete inventory.

6. Access Rights

Upon the occurrence of any Event of Default (as defined in the DIP ABL Credit Agreement), the DIP ABL Agent and its agents, representatives and designees shall have an irrevocable, non-exclusive right to have access to, and a rent-free right to use, the applicable parcel of Premises that constitutes DIP Term Loan Priority Collateral and to use any DIP Term Loan Priority Collateral located thereon (the "**Right of Access**"), for a period of up to 60 days, commencing upon the date the DIP ABL Agent provides written notice of the intent to exercise the Right of Access to the DIP Term Loan Agent, for the purpose of (i) arranging for and effecting the sale or disposition of DIP ABL Priority Collateral located on such parcel, including the manufacture, production, completion, packaging and other preparation of such DIP ABL Priority Collateral for sale or disposition, (ii) selling (by public auction, private sale or a "store closing", going out of business sale or similar sale, whether in bulk, in lots or to customers in the ordinary course of business or otherwise and which sale may include augmented inventory of the same type sold in any DIP Loan Party's business), (iii) storing or otherwise dealing with the DIP ABL Priority Collateral, in each case without notice to, the involvement of or interference by the Fixed Asset Secured Parties or liability to the Fixed Asset Secured Parties; provided that, (on a plant by plant basis) in the event that any of the Debtors' customers exercise their respective rights of access pursuant to the Access Agreement at any plant, then the Right of Access of the DIP ABL Agent and its agents, representatives and designees with respect to such plant shall terminate 60 days following the first day on which a customer exercises its access right at such plant. During any such Event of Default (as defined in the DIP ABL Credit Agreement), the DIP ABL Agent and its representatives (and persons employed on their behalf), may continue to operate, service, maintain, process, manufacture, package and sell the DIP ABL Priority Collateral, as well as to engage in bulk sales of DIP ABL Priority Collateral. The DIP ABL

Agent shall take proper and reasonable care under the circumstances of any DIP Term Loan Priority Collateral that is used by the DIP ABL Agent and repair and replace any damage (ordinary wear-and-tear excepted) caused by the DIP ABL Agent or its agents, representatives or designees and the DIP ABL Agent shall comply with all applicable laws in all material respects in connection with its use or occupancy of the DIP Term Loan Priority Collateral. The DIP ABL Agent and the DIP ABL Secured Parties shall reimburse the Fixed Asset Secured Parties for any injury or damage to Persons or property (ordinary wear-and-tear excepted) directly caused by the acts or omissions of Persons under its control; provided, that, the DIP ABL Agent and the DIP ABL Secured Parties will not be liable for any diminution in the value of the Premises caused by the absence of the DIP ABL Priority Collateral therefrom. In no event shall the DIP ABL Secured Parties or the DIP ABL Agent have any liability to the Fixed Asset Secured Parties hereunder as a result of any condition (including any environmental condition, claim or liability) on or with respect to the DIP Term Loan Priority Collateral existing prior to the date of the exercise by the DIP ABL Agent of its rights under the Final Order. The DIP ABL Agent and the Fixed Asset Secured Parties shall cooperate and use reasonable efforts to ensure that their activities described above do not interfere materially with the activities of the other as described above, including the right of Fixed Asset Secured Parties to show the DIP Term Loan Priority Collateral to prospective purchasers and to ready the DIP Term Loan Priority Collateral for sale. The Fixed Asset Secured Parties shall not foreclose or otherwise sell or dispose of any of the DIP Term Loan Priority Collateral unless the buyer agrees in writing to acquire the DIP Term Loan Priority Collateral subject to the terms of these Intercreditor Arrangements and agrees to comply with the terms of this section 5. The DIP ABL Agent and the DIP ABL Secured Parties shall have the right to bring an action to enforce their rights under this Section 5 including, without

limitation, an action seeking possession of the applicable DIP Collateral and/or specific performance. Notwithstanding the foregoing, in no event shall the Fixed Asset Secured Parties have any liability or obligation to the DIP ABL Agent, the DIP ABL Lenders or any of their respective agents, representatives and designees to pay for any costs and expenses (whether actual or accrued) incurred in connection with the DIP ABL Agent's, any DIP ABL Lender's or any of their respective agents', representatives' and designees' exercise of Right of Access.

7. Application of Proceeds/Turnover

(a) Revolving Nature of DIP ABL Obligations. The Fixed Asset Secured Parties acknowledge and agree that the DIP ABL Credit Agreement includes a revolving commitment and that the amount of the DIP ABL Obligations that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed in accordance with the terms of the DIP Documents and the Interim Order or the Final Order, as applicable.

(b) Application of Proceeds of Collateral.

i. So long as the Discharge of DIP ABL Obligations has not occurred, all DIP ABL Priority Collateral or Proceeds thereof received in connection with the sale or other disposition of, or collection on, such DIP ABL Priority Collateral as a result of the exercise of remedies by any Secured Party Representative or any DIP ABL Secured Parties or Fixed Asset Secured Parties, shall be delivered to the DIP ABL Agent and shall be applied or further distributed by the DIP ABL Agent to or on account of the DIP ABL Obligations in such order, if any, as specified in the relevant DIP ABL Facility Documents or as a court of competent jurisdiction may otherwise direct. Upon the Discharge of DIP ABL Obligations, the DIP

ABL Agent shall deliver to the DIP Term Loan Agent any DIP ABL Priority Collateral and Proceeds of DIP ABL Priority Collateral received or delivered to it pursuant to the preceding sentence, in the same form as received, with any necessary endorsements, to be applied by the DIP Term Loan Agent to the Fixed Asset Obligations in such order as specified in the DIP Term Loan Agreement or as a court of competent jurisdiction may otherwise direct.

ii. So long as the Discharge of Fixed Asset Obligations has not occurred, all DIP Term Loan Priority Collateral or Proceeds thereof received in connection with the sale or other disposition of, or collection on, such DIP Term Loan Priority Collateral as a result of the exercise of remedies by any Secured Party Representative or any Fixed Asset Secured Parties or DIP ABL Secured Parties, shall be delivered to the DIP Term Loan Agent and shall be applied by the DIP Term Loan Agent to the DIP Term Loan Obligations in such order as specified in the relevant DIP Term Loan Documents or as a court of competent jurisdiction may otherwise direct. Upon the Discharge of DIP Term Loan Obligations, the DIP Term Loan Agent shall deliver to the Prepetition Indenture Trustee any DIP Term Loan Priority Collateral and Proceeds of DIP Term Loan Priority Collateral received or delivered to it pursuant to the preceding sentence, in the same form as received, with any necessary endorsements to be applied by the Prepetition Indenture Trustee to the Prepetition Secured Notes

Obligations in such order as specified in the Prepetition Secured Notes Documents or as a court of competent jurisdiction may otherwise direct.

(c) Payments Over. So long as neither the Discharge of DIP ABL Obligations nor the Discharge of Fixed Asset Obligations has occurred, any DIP Collateral received by any Secured Party Representative or any Fixed Asset Secured Parties or DIP ABL Secured Parties in connection with the exercise of any right, power, or remedy (including set-off) relating to the DIP Collateral in contravention of the Final Order shall be segregated and held in trust and forthwith paid over to the appropriate Secured Party Representative for the benefit of the Fixed Asset Secured Parties or the DIP ABL Secured Parties, as applicable, in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. Each Secured Party Representative is hereby authorized by the other Secured Party Representative to make any such endorsements as agent for the other Secured Party Representative or any Fixed Asset Secured Parties or DIP ABL Secured Parties, as applicable. This authorization is coupled with an interest and is irrevocable until the Discharge of DIP ABL Obligations and Discharge of Fixed Asset Obligations.

(d) Application of Payments. Subject to the other terms of the Interim Order and the Final Order, as applicable, all payments received by (a) the DIP ABL Agent or the DIP ABL Secured Parties may be applied, reversed and reapplied, in whole or in part, to the DIP ABL Obligations to the extent provided for in the DIP ABL Facility Documents and (b) the Fixed Asset Secured Parties may be applied, reversed and reapplied, in whole or in part, to the Fixed Asset Obligations to the extent provided for in the DIP Term Loan Documents.

(e) The DIP ABL Agent, for itself and on behalf of the DIP ABL Lenders, and the Fixed Asset Secured Parties further agree that, prior to an issuance of any Enforcement Notice, any Proceeds of DIP Collateral, whether or not deposited in an account subject to an account control agreement, which are used by any Debtor to acquire other property which is DIP Collateral shall not (solely as between the DIP ABL Agent, the DIP ABL Lenders and the Fixed Asset Secured Parties) be treated as Proceeds of DIP Collateral for purposes of determining the relative priorities in the DIP Collateral which was so acquired. In addition, unless and until the Discharge of DIP ABL Obligations occurs, the Fixed Asset Secured Parties each hereby (i) consents to the application, prior to the receipt by the DIP ABL Agent of an Enforcement Notice issued by the DIP Term Loan Agent or the Prepetition Indenture Trustee, of cash or other Proceeds of DIP Collateral, deposited in accounts subject to an account control agreement that constitute DIP ABL Priority Collateral to the repayment of DIP ABL Obligations under DIP ABL Facility Documents, (ii) agrees that such cash or other Proceeds shall be treated as DIP ABL Priority Collateral and (iii) unless the DIP ABL Agent has actual knowledge to the contrary or unless such funds are identifiable Proceeds of DIP Term Loan Priority Collateral, any claim that payments made to the DIP ABL Agent through accounts that are subject to such account control agreements are Proceeds of or otherwise constitute DIP Term Loan Priority Collateral is waived by the Fixed Asset Secured Parties; provided that after the receipt by the DIP ABL Agent of an Enforcement Notice issued by the DIP Term Loan Agent or the Prepetition Indenture Trustee, all identifiable Proceeds of DIP Term Loan Priority Collateral shall be treated as DIP Term Loan Priority Collateral.

In the event that directly or indirectly some or all of the DIP ABL Priority Collateral and some or all of the DIP Term Loan Priority Collateral are disposed of in a single transaction or series of related transactions in which the aggregate sales price is no allocated between DIP ABL Priority Collateral and DIP Term Loan Priority Collateral being sold (including in connection with or as a result of the sale of the capital stock of a Debtor which shall be treated as a sale of assets), then the portion of the aggregate sales price determined to be Proceeds of DIP ABL Priority Collateral on the one hand, and DIP Term Loan Priority Collateral on the other hand, shall be allocated based upon, in the case of (i) any DIP ABL Priority Collateral consisting of inventory, no less than the book value as assessed on the date of such disposition, (ii) any DIP ABL Priority Collateral consisting of accounts receivable, no less than the book value as assessed on the date of such disposition, and (iii) all other DIP ABL Priority Collateral and DIP Term Loan Priority Collateral, fair market value of such DIP ABL Priority Collateral and DIP Term Loan Priority Collateral, as determined in good faith by Debtors in their reasonable judgment.

8. Release of DIP ABL Priority Collateral

If, in connection with (A) any exercise of remedies, or (B) any sale, transfer or other disposition of all or any portion of the DIP ABL Priority Collateral, so long as such sale, transfer or other disposition is then not prohibited by the DIP ABL Facility Documents (or is otherwise consented to by the requisite DIP ABL Lenders), or by the DIP Term Loan Documents (or is otherwise consented to by the requisite DIP Term Loan Lenders) irrespective of whether an Event of Default (as defined in the DIP ABL Credit Agreement) has occurred and is continuing, the DIP ABL Agent, on behalf of any of the DIP ABL Secured Parties, releases any of its liens on any part of the DIP ABL Priority Collateral (or if such liens are automatically released pursuant to

the DIP ABL Facility Documents upon such sale, transfer or other disposition), then the liens, if any, of the Fixed Asset Secured Parties on the DIP ABL Priority Collateral sold or disposed of in connection therewith, shall be automatically, unconditionally and simultaneously released; provided that the Proceeds of such DIP ABL Priority Collateral are applied to reduce DIP ABL Obligations and the Fixed Asset Secured Parties shall retain a lien on such Proceeds in accordance with the terms of the Final Order and the DIP Documents (for clarity, to the extent that the DIP ABL Agent or DIP ABL Lenders acquire DIP ABL Priority Collateral via credit bid, then there shall be no Proceeds and the liens of the Fixed Assets Secured Parties on the DIP ABL Priority Collateral that is subject to such credit bid shall be discharged). The Fixed Asset Secured Parties promptly shall, at the sole cost and expense of the Debtors and the DIP Loan Parties, execute and deliver to the DIP ABL Agent or such DIP Loan Party such termination statements, releases and other documents as the DIP ABL Agent or such Debtor or the DIP Loan Party may reasonably request in writing to effectively confirm such release.

9. Insurance

(a) Unless and until the Discharge of DIP ABL Obligations has occurred and subject to the terms of, and the rights of the DIP Loan Parties under, the DIP ABL Facility Documents, the DIP ABL Agent, on behalf of the DIP ABL Secured Parties, shall have the sole and exclusive right to adjust settlement for any insurance policy covering the DIP ABL Priority Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) affecting such DIP ABL Priority Collateral. Until the Discharge of DIP ABL Obligations has occurred, (i) all Proceeds of any such policy and any such award (or any payments with respect to a deed in lieu of condemnation) if in respect of the DIP ABL Priority Collateral and to the extent required by the DIP ABL Facility Documents shall be paid to

the DIP ABL Agent for the benefit of the DIP ABL Secured Parties pursuant to the terms of the DIP ABL Facility Documents (including, without limitation, for purposes of cash collateralization of letters of credit) and thereafter, if the Discharge of DIP ABL Obligations has occurred, and subject to the rights of the DIP Loan Parties under the DIP Term Loan Agreement, to the Fixed Asset Secured Parties to the extent required under the DIP Term Loan Agreement and then, to the extent the Discharge of Fixed Asset Obligations has occurred, to the owner of the subject property or such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct, and (ii) if the Fixed Asset Secured Parties shall, at any time, receive any Proceeds of any such insurance policy or any such award or payment with respect to DIP ABL Priority Collateral, it shall segregate and hold in trust and forthwith pay such Proceeds over to the DIP ABL Agent.

(b) Unless and until the Discharge of Fixed Asset Obligations has occurred, subject to the terms of, and the rights of the DIP Loan Parties under, the DIP Term Loan Documents, the Fixed Asset Secured Parties shall have the sole and exclusive right to adjust settlement for any insurance policy covering the DIP Term Loan Priority Collateral in the event of any loss thereunder and to approve any award granted in any condemnation or similar proceeding (or any deed in lieu of condemnation) affecting such DIP Term Loan Priority Collateral. Until the Discharge of Fixed Asset Obligations has occurred, (i) all Proceeds of any such policy and any such award (or any payments with respect to a deed in lieu of condemnation) if in respect of the DIP Term Loan Priority Collateral and to the extent required by the DIP Term Loan Documents shall be paid to the Fixed Asset Secured Parties pursuant to the terms of the DIP Term Loan Documents and thereafter to

the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct, and (ii) if the DIP ABL Agent or any DIP ABL Secured Parties shall, at any time, receive any Proceeds of any such insurance policy or any such award or payment with respect to DIP Term Loan Priority Collateral, it shall segregate and hold in trust and forthwith pay such Proceeds over to the Fixed Asset Secured Parties.

(c) To effectuate the foregoing, and to the extent that the pertinent insurance company agrees to issue such endorsements, the DIP ABL Agent and the DIP Term Loan Agent shall each receive separate lender's loss payable endorsements naming themselves as loss payee and additional insured, as their interests may appear, with respect to any policies which insure the DIP Collateral. To the extent any Proceeds are received for business interruption or for any liability or indemnification and those Proceeds are not in whole or in part compensation for a casualty loss with respect to the DIP Term Loan Priority Collateral, such Proceeds shall be applied first, to repay the DIP ABL Obligations (to the extent required pursuant to the DIP ABL Facility Documents), second, to the extent no DIP ABL Obligations are outstanding, to repay the Fixed Asset Obligations (to the extent required by the DIP Term Loan Documents), and third, to the owner of the subject property, such other Person as may be entitled thereto or as a court of competent jurisdiction may otherwise direct.

10. Amendments

The DIP ABL Facility Documents and DIP Term Loan Documents may be amended, supplemented or otherwise modified in accordance with their terms, all without affecting the lien subordination or other provisions of the Final Order or the lien and claim priorities set forth in the Final Order. The DIP ABL Obligations may be Refinanced without notice to, or the consent

of, the Fixed Asset Secured Parties and without affecting the lien subordination or other provisions of the Final Order, and the Fixed Asset Obligations may be Refinanced without notice to, or consent of, the DIP ABL Agent or the DIP ABL Secured Parties and without affecting the lien subordination and other provisions of the Final Order so long as such Refinancing is on terms and conditions that would not violate the DIP Term Loan Documents or the DIP ABL Facility Documents (as applicable), each as in effect on the date hereof (or, if less restrictive to the DIP Loan Parties, as in effect on the date of such amendment or Refinancing) or the Final Order; provided that, in each case, (x) the DIP Loan Parties shall deliver a notice to the DIP ABL Agent or the DIP Term Loan Agent, as applicable, stating that the DIP Loan Parties has entered into new DIP ABL Facility Documents or DIP Term Loan Documents, as the case may be, and identifying the agent under such Credit Documents (the "New Agent") and (iii) the New Agent shall acknowledge in writing that it is bound by the terms of the Final Order; provided further, however, that, if such Refinancing debt is secured by a lien on any DIP Collateral the holders of such Refinancing debt shall be deemed bound by the terms hereof regardless of whether or not such joinder is provided. For the avoidance of doubt, the sale or other transfer of indebtedness is not restricted by the Final Order but the provisions of the Final Order shall be binding on all holders of DIP ABL Obligations and Fixed Asset Obligations. Notwithstanding the foregoing, (i) the DIP ABL Secured Parties will not be entitled to agree (and will not agree) to any amendment to or modification of the DIP ABL Facility Documents, whether in a Refinancing or otherwise, that is inconsistent with the terms of the Final Order and (ii) the Fixed Asset Secured Parties will not be entitled to agree (and will not agree) to any amendment to or modification of the DIP Term Loan Documents, whether in a Refinancing or otherwise, that is inconsistent with the terms of the Final Order.

11. Asset Dispositions of DIP ABL Priority Collateral

The Fixed Asset Secured Parties shall not oppose (or support, directly or indirectly, any other Person seeking to oppose) any motion by a DIP Loan Party that is supported by the DIP ABL Secured Parties (i) for any disposition of any DIP ABL Priority Collateral free and clear of liens or other claims, under Sections 363 or 1129 of the Bankruptcy Code or otherwise, or (ii) to approve any procedures for the disposition of any DIP ABL Priority Collateral of any of the DIP Loan Parties, and the Fixed Asset Secured Parties will be deemed to have irrevocably, absolutely, and unconditionally consented under Section 363 of the Bankruptcy Code (and otherwise) to any sale of any DIP ABL Priority Collateral supported by the DIP ABL Secured Parties and to have released their liens on such assets; provided that to the extent the Proceeds of such DIP ABL Priority Collateral are not applied to reduce DIP ABL Obligations the Fixed Asset Secured Parties shall retain a lien on such Proceeds in accordance with the terms of the Final Order.

12. Subrogation

(a) With respect to the value of any payments or distributions in cash, property or other assets that any of the Fixed Asset Secured Parties actually pays over to the DIP ABL Agent or the DIP ABL Secured Parties under the terms of the Interim Order and the Final Order, as applicable, the Fixed Asset Secured Parties shall be subrogated to the rights of the DIP ABL Secured Parties; provided that the Fixed Asset Secured Parties hereby agree not to assert or enforce all such rights of subrogation they may acquire as a result of any payment hereunder until the Discharge of DIP ABL Obligations has occurred. The Debtors and the DIP Loan Parties acknowledge and agree that, to the extent permitted by applicable law, the value of any payments or distributions in cash, property or other assets received by the Fixed Asset Secured Parties that are paid over to the DIP ABL

Secured Parties pursuant to the Interim Order or the Final Order, as applicable, shall not reduce any of the Fixed Asset Obligations. Notwithstanding the foregoing provisions of this Section 12, none of the Fixed Asset Secured Parties shall have any claim against any of the DIP ABL Secured Parties for any impairment of any subrogation rights herein granted to the Fixed Asset Secured Parties.

(b) With respect to the value of any payments or distributions in cash, property or other assets that any of the DIP ABL Secured Parties actually pays over to the Fixed Asset Secured Parties under the terms of the Interim Order and the Final Order, as applicable, the DIP ABL Secured Parties shall be subrogated to the rights of the Fixed Asset Secured Parties; provided that the DIP ABL Agent, on behalf of the DIP ABL Secured Parties, hereby agrees not to assert or enforce all such rights of subrogation it may acquire as a result of any payment hereunder until the Discharge of Fixed Asset Obligations has occurred. The Debtors and the DIP Loan Parties acknowledge and agree that, to the extent permitted by applicable law, the value of any payments or distributions in cash, property or other assets received by the DIP ABL Secured Parties that are paid over to the Fixed Asset Secured Parties pursuant to the Interim Order or the Final Order, as applicable, shall not reduce any of the DIP ABL Obligations. Notwithstanding the foregoing provisions of this Section 12, none of the DIP ABL Secured Parties shall have any claim against any of the Fixed Asset Secured Parties for any impairment of any subrogation rights herein granted to the DIP ABL Secured Parties.

Exhibit 2

Budget

Chassix

DIP Budget - 13 Week Cash Flow Forecast

($000's)	Ch. 11				Final Order									Total
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	13 Weeks
Select Period	13-Mar	20-Mar	27-Mar	3-Apr	10-Apr	17-Apr	24-Apr	1-May	8-May	15-May	22-May	29-May	5-Jun	
Memo: Sales	23,443	23,443	23,443	23,443	30,998	30,998	30,998	30,998	28,418	28,418	28,418	28,418	22,872	354,307
Cash Receipts	**10,153**	**20,347**	**21,380**	**37,900**	**32,893**	**18,893**	**21,062**	**24,127**	**51,587**	**21,286**	**21,130**	**22,157**	**54,297**	**357,211**
Disbursements														
Vendors	(8,741)	(22,709)	(17,209)	(16,607)	(22,953)	(22,953)	(22,953)	(22,815)	(15,896)	(15,896)	(15,896)	(14,396)	(16,179)	(235,205)
Lease, rent and utilities	-	(821)	(30)	(3,589)	-	(860)	-	(30)	(3,595)	-	(838)	(30)	(3,604)	(13,397)
Payroll and benefits	-	(5,441)	(3,498)	(7,926)	(4,928)	(5,774)	(3,134)	(7,948)	(3,185)	(5,117)	(3,185)	(5,117)	(5,345)	(60,599)
Taxes	(271)	(11)	(11)	(9)	(269)	(9)	(9)	(9)	(271)	(11)	(395)	(11)	(11)	(1,293)
Capital and tooling	(4,140)	(2,070)	(2,070)	(2,070)	(2,571)	(2,571)	(2,571)	(2,571)	(2,421)	(2,421)	(2,421)	(2,421)	(1,956)	(32,272)
Funding to rest of world entities	-	-	-	-	-	-	-	-	(5,000)	-	-	-	(5,000)	(10,000)
DIP fees and interest	(5,963)	-	-	-	(3,345)	-	-	(894)	-	-	-	(948)	-	(11,149)
Professional fees	-	(500)	(500)	(500)	(125)	(125)	(2,045)	(125)	(1,113)	(263)	(3,840)	(238)	(38)	(9,415)
U.S. Trustee fees	-	-	-	-	(9)	-	-	-	-	-	-	-	-	(9)
Other	1,574	(532)	(726)	(453)	(315)	(421)	(315)	(721)	(435)	(494)	(403)	(459)	(739)	(4,440)
Total Disbursements	**(17,540)**	**(32,084)**	**(24,044)**	**(31,153)**	**(34,515)**	**(32,713)**	**(31,027)**	**(35,113)**	**(31,917)**	**(24,202)**	**(26,979)**	**(23,620)**	**(32,872)**	**(377,779)**
Net Cash Inflow / (Outflow)	**(7,387)**	**(11,738)**	**(2,665)**	**6,747**	**(1,622)**	**(13,819)**	**(9,965)**	**(10,986)**	**19,670**	**(2,916)**	**(5,849)**	**(1,463)**	**21,425**	**(20,568)**
Revolving DIP facility	**65,751**	**77,488**	**80,153**	**73,406**	**49,188**	**63,007**	**72,972**	**83,958**	**64,288**	**67,204**	**73,053**	**74,516**	**53,091**	**53,091**
Inflow # 1: proceeds from DIP Term Loan	**-**	**-**	**-**	**-**	**20,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inflow # 2: funds from successor bank (L/C's)	**-**	**-**	**-**	**-**	**5,840**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

EXHIBIT E

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	
PINNACLE AIRLINES CORP., *et al.*,	**Chapter 11**
	Case No. 12-11343 (REG)
	(Jointly Administered)
Debtors.	

ORDER PURSUANT TO SECTIONS 105, 361, 362, 364, 365, 502, 1107 AND 1108 OF THE BANKRUPTCY CODE (I) AUTHORIZING DEBTORS TO OBTAIN POST-PETITION FINANCING, (II) GRANTING LIENS AND PROVIDING SUPER-PRIORITY ADMINISTRATIVE EXPENSE STATUS, (III) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED PARTIES, (IV) AUTHORIZING DEBTORS TO ASSUME CONNECTION AGREEMENTS WITH DELTA AIR LINES, INC., AND (V) ALLOWING GENERAL UNSECURED CLAIM

Upon the motion (the "**Motion**"), dated April 2, 2012, of Pinnacle Airlines Corp. (the "**Company**," "**Pinnacle Holdings,**" or the "**Borrower**") and its affiliated debtors, each as debtor and debtor-in-possession (collectively, the "**Debtors**"), in the above-captioned cases (the "**Chapter 11 Cases**") pursuant to sections 105, 361, 362, 363(c)(2), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e), 365, 502(a), 1107, and 1108 of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (as amended, the "**Bankruptcy Code**"), and Rules 2002, 4001, 6006, and 9014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), seeking, among other things:

(1) authorization for the Borrower to obtain post-petition superpriority senior secured multiple draw term loan financing (the "**DIP Facility**"), and for all of the other Debtors (the "**Guarantors**") to guaranty the Borrower's obligations in connection with the DIP Facility, up to the aggregate principal amount of $74,285,000 (the "**Commitment**") (the actual available principal amount at any time being subject

to those conditions set forth in the DIP Financing Documents (as defined below)), from Delta Air Lines, Inc. ("**Delta**") and other institutions selected by Delta (collectively, the "**DIP Lenders**");

(2) authorization for the Debtors to execute, enter into, and deliver the DIP Financing Documents and to perform such other and further acts as may be required in connection with the DIP Financing Documents;

(3) until the repayment thereof as hereinafter provided, the granting of adequate protection to Delta (the "**Promissory Note Lender**") under or in connection with that certain Promissory Note, dated as of July 1, 2010 (as heretofore amended, supplemented, or otherwise modified, the "**Promissory Note**"), by and among the Borrower, Pinnacle Airlines, Inc. ("**Pinnacle Inc.**"), Mesaba Aviation, Inc. ("**Mesaba**, and together with the Borrower and Pinnacle Inc., the "**Promissory Note Borrowers**"), and the Promissory Note Lender, and that certain Security and Pledge Agreement, dated as of July 1, 2010, between the Borrower and Delta (as heretofore amended, supplemented, or otherwise modified, the "**Security Agreement**" and, collectively with the Promissory Note, and all other documentation executed in connection therewith the "**Promissory Note Documents**"), whose liens and security interests are being primed by the DIP Facility and authorization for the Debtors to use the Promissory Note Collateral (as defined below);

(4) authorization for the Debtors to repay the Promissory Note in full including interest through the date of repayment at the non-default contract rate upon (a) the simultaneous release and termination of the Promissory Note's liens, claims, and

encumbrances under the Promissory Note Documents and (b) the agreement of the Promissory Note Lender to release and terminate any remaining liens, claims, and encumbrances on account of the Promissory Note Documents in accordance with this Order; provided that such repayment will remain subject to a specified period in which the official committee of unsecured creditors appointed in the Chapter 11 Cases (the "**Creditors' Committee**") may challenge Promissory Note obligations and liens, and, if challenged, such repayment may be subject to disgorgement if the Court so rules, all as set forth herein;

(5) approval of certain stipulations by the Debtors with respect to the Promissory Note Documents and the liens and security interests arising therefrom;

(6) the granting of superpriority claims to the DIP Lenders payable from, and having recourse to the Collateral (as defined below), subject to the Carve-Out (as defined below);

(7) the limitation of the Debtors' right to surcharge against collateral pursuant to section 506(c) of the Bankruptcy Code;

(8) approval of the Debtors' assumption of the Amended DCA Agreements (as defined below); and

(9) allowance of a general unsecured claim for Delta's damages as a result of modifications to the Amended 2007 CRJ-900 Agreement (as defined below) as set forth in the Amended 2007 CRJ-900 Agreement in an amount to be subsequently determined by the Court (the "**Delta Claim**");

and due and appropriate notice of the Motion, the relief requested therein, and the hearing before this Court (the "**Hearing**") having been served by the Debtors on (i) the Office of the United

States Trustee for the Southern District of New York, (ii) counsel for the DIP Lenders, (iii) those creditors holding the five largest secured claims against the Debtors' estates, (iv) those creditors holding the 50 largest unsecured claims against the Debtors' estates, (v) those known creditors holding liens on the Debtors' assets, (vi) the Creditors' Committee, and (vii) the United States Attorney for the Southern District of New York (collectively, the "**Notice Parties**"), and upon the record of the Hearing held by this Court on May 16, 2012; and after due deliberation and consideration and sufficient cause appearing therefor,

IT IS FOUND, DETERMINED, ORDERED, AND ADJUDGED,[1] that:

1. *Motion Granted*. The Motion is granted in accordance with the terms and conditions set forth in this Order and the DIP Financing Documents. Any objections and reservations of rights included therein, to the extent not withdrawn with prejudice, settled, or resolved, are hereby overruled on the merits.

2. *Jurisdiction*. This Court has core jurisdiction over the Chapter 11 Cases, this Motion, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. *Notice*. Notice of the Motion, the relief requested therein and the Hearing was served by the Debtors on the Notice Parties.

4. *Debtors' Stipulations*. After consultation with their attorneys and financial advisors, and without prejudice to the rights of any other party (but subject to the limitations thereon contained in paragraphs 16 and 22 below), the Debtors admit, stipulate, acknowledge, and agree that:

[1] Any and all findings of fact shall constitute finding of fact even if they are stated as conclusions of law, and any and all conclusions of law shall constitute conclusions of law even if they are stated as findings of fact.

(a) (i) as of the filing of the Debtors' chapter 11 petitions (the "**Petition Date**"), the Promissory Note Borrowers were indebted and liable to the Promissory Note Lender, without defense, counterclaim, or offset of any kind, in the aggregate principal amount of $44,285,046.40 in respect of the Promissory Note Documents, plus accrued interest thereon and costs, expenses (including any attorneys', accountants', appraisers', and financial advisors' fees and expenses that are chargeable or reimbursable under the Promissory Note Documents), charges, and other obligations incurred in connection therewith as provided in the Promissory Note Documents (collectively, the "**Promissory Note Debt**"), (ii) the Promissory Note Debt constitutes the legal, valid, and binding obligation of the Promissory Note Borrowers, enforceable in accordance with its terms (other than in respect of the stay of enforcement arising from section 362 of the Bankruptcy Code), and (iii) no portion of the Promissory Note Debt is subject to avoidance, recharacterization, recovery, or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law;

(b) the liens and security interests granted to the Promissory Note Lender pursuant to and in connection with the Promissory Note Documents (i) are valid, binding, perfected, enforceable, first-priority liens and security interests in the collateral described in the Promissory Note Documents (the "**Promissory Note Collateral**"); (ii) are not subject to avoidance, recharacterization, or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law; and (iii) secure, without limitation, the Debtors' indemnity obligations to the Promissory Note Lender under the Promissory Note Documents; and

(c) a portion of the Debtors' borrowings from the DIP Lenders under the DIP Credit Agreement (as defined below) and this Order will be used to repay in full the Promissory Note in accordance with the terms and conditions set forth in this Order; and, subject to the terms

and conditions contained herein (including, without limitation, the priming liens granted hereunder subject to the Carve-Out), any and all prepetition or post-petition liens and security interests (including, without limitation, any adequate protection replacement liens at any time granted to the Promissory Note Lender by this Court) that the Promissory Note Lender has or may have in the Promissory Note Collateral or with respect to post-petition liens and security interests (including, without limitation, any adequate protection replacement liens at any time granted to the Promissory Note Lender by this Court) on any other assets and properties of the Debtors and their estates shall (i) unless otherwise ordered by the Court, continue to secure any unpaid portion of any Promissory Note Debt (including, without limitation, any Promissory Note Debt subsequently reinstated after the repayment thereof because such payment (or any portion thereof) is required to be returned or repaid to the Debtors or the DIP Lenders and the liens securing the Promissory Note Debt shall have not been avoided) and (ii) be junior and subordinate in all respects to the DIP Lenders' liens on and security interests in the Collateral (including, without limitation, the DIP Liens (as defined below)) granted under this Order and the DIP Financing Documents.

5. *Findings Regarding the DIP Facility.*

(a) Good cause has been shown for the entry of this Order.

(b) The Debtors have an immediate need to obtain the DIP Facility and use Collateral in order to permit the Debtors (i) to provide working capital for, and for other general corporate purposes of, the Borrower and its subsidiaries, including the payment of expenses of administration in the Chapter 11 Cases, (ii) to repay in full the Promissory Note, and (iii) to pay the costs and expenses of the DIP Lenders, in each case in accordance with the Budget (as defined in the DIP Credit Agreement). The access of the Debtors to sufficient working capital,

incurrence of new indebtedness for borrowed money, and other financial accommodations is vital to the preservation and maintenance of the going concern values of the Debtors and to a successful reorganization of the Debtors.

(c) The Debtors are unable to obtain financing on more favorable terms from sources other than the DIP Lenders under the DIP Financing Documents and are unable to obtain adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense. The Debtors are also unable to obtain secured credit allowable under sections 364(c)(1), 364(c)(2), and 364(c)(3) of the Bankruptcy Code (i) without the Debtors granting to the DIP Lenders, subject to the Carve-Out as provided for herein, the DIP Liens, and the Superpriority Claims (as defined below) under the terms and conditions set forth in this Order and in the DIP Financing Documents and (ii) repaying the Promissory Note Debt in full upon entry of this Order, such repayment being a requirement by the DIP Lenders for the DIP Facility.

(d) The terms of the DIP Facility are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and constitute reasonably equivalent value and fair consideration.

(e) The DIP Facility has been negotiated in good faith and at arm's length among the Debtors and the DIP Lenders, and all of the Debtors' obligations and indebtedness arising under, in respect of, or in connection with the DIP Facility and the DIP Financing Documents, including, without limitation, (i) all loans made to the Debtors pursuant to the credit agreement (the "**DIP Credit Agreement**") substantially in the form filed on the docket and (ii) any Obligations (as defined in the DIP Credit Agreement) (all of the foregoing in clauses (i) and (ii) collectively, the "**DIP Obligations**"), shall be deemed to have been extended by the DIP

Lenders and their affiliates in good faith, as that term is used in section 364(e) of the Bankruptcy Code and in express reliance upon the protections offered by section 364(e) of the Bankruptcy Code, and shall be entitled to the full protection of section 364(e) of the Bankruptcy Code in the event that this Order or any provision hereof is vacated, reversed, or modified, on appeal or otherwise.

6. *Authorization of the DIP Facility, the DIP Financing Documents, and the Repayment of the Promissory Note Debt.*

(a) The Debtors are hereby authorized to enter into the DIP Financing Documents and are authorized and directed to repay the Promissory Note Debt. The Borrower is hereby authorized to borrow money pursuant to the DIP Credit Agreement, and the Guarantors are hereby authorized to guaranty such borrowings, up to an aggregate principal or face amount of $74,285,000 (plus interest, fees, costs, and other expenses and amounts provided for in the DIP Financing Documents), in accordance with the terms of this Order and the DIP Financing Documents, which shall be used for all purposes permitted under the DIP Financing Documents, including, without limitation, (i) to provide working capital for, and for other general corporate purposes of, Borrower and its subsidiaries, including the payment of expenses of administration in the Chapter 11 Cases, (ii) to repay in full the Promissory Note Debt, and (iii) to pay the costs and expenses of the DIP Lenders, in each case in accordance with the Budget.

(b) The Borrowers shall pay (i) all reasonable fees and expenses of the DIP Lenders associated with the preparation, execution, delivery and administration of the DIP Financing Documents and any amendment or waiver with respect thereto (including the fees, disbursements and other charges of counsel, including local, conflicts and special counsel as necessary, and financial advisors for the DIP Lenders), (ii) all expenses of the DIP Lenders

(including the fees, disbursements and other charges of counsel, including local, conflicts and special counsel for the DIP Lenders, and financial advisors) in connection with the enforcement of the DIP Financing Documents and (iii) all expenses associated with collateral monitoring, collateral reviews and appraisals, environmental reviews and fees and expenses of other advisors and professionals engaged by the DIP Lenders (collectively, "**Lender Professionals**"). Lender Professionals receiving payment of fees and expenses under this paragraph shall not be required to comply with the U.S. Trustee fee guidelines but they shall submit copies of invoices to the U.S. Trustee. Once five business days has passed from the delivery of such invoices to the U.S. Trustee, the Debtors shall timely pay in accordance with the terms and conditions of this Order the invoiced fees and expenses of any such Lender Professional.

(c) In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized and directed to perform all acts, to make, execute, and deliver all instruments and documents (including, without limitation, the execution or recordation of security agreements, mortgages, and financing statements), and to pay all costs that may be reasonably required or necessary for the Debtors' performance of their obligations under the DIP Facility, including, without limitation:

(i) the execution, delivery, and performance of the DIP Documents (as defined in the DIP Credit Agreement) and any exhibits attached thereto, including, without limitation, the DIP Credit Agreement, all related documents, and any mortgages contemplated thereby (collectively, the "**DIP Financing Documents**");

(ii) the execution, delivery, and performance of one or more amendments to the DIP Credit Agreement for, among other things, the purpose of adding additional financial institutions as DIP Lenders and reallocating the commitments for the DIP

Facility among the DIP Lenders, in each case in such form as the Debtors and the DIP Lenders may agree (it being understood that no further approval of the Court shall be required for amendments to the DIP Credit Agreement (and any fees paid in connection therewith) that do not increase the aggregate commitments thereunder or require any fees to be paid in connection therewith);

(iii) the payment to the DIP Lenders of the costs and expenses referred to in the DIP Credit Agreement (it being understood that any such payment shall be non-refundable) and reasonable costs and expenses as may be due from time to time, including, without limitation, fees and expenses of the professionals retained as provided for in the DIP Financing Documents, Kirkland & Ellis LLP and Blackstone Advisory Partners L.P., without the necessity of filing retention motions or fee applications; and

(iv) the performance of all other acts required under or in connection with the DIP Financing Documents.

(d) Upon execution and delivery of the DIP Financing Documents, the DIP Financing Documents shall constitute valid and binding obligations of the Debtors, enforceable against each Debtor party thereto in accordance with the terms of the DIP Financing Documents and this Order. No obligation, payment, transfer, or grant of security under the DIP Financing Documents or this Order shall be stayed, restrained, voidable, or recoverable under the Bankruptcy Code or under any applicable law (including without limitation, under section 502(d) of the Bankruptcy Code), or subject to any defense, reduction, setoff, recoupment, or counterclaim; *provided, however*, that in the event that there is a timely successful challenge, pursuant and subject to the limitations contained in paragraph 16 hereof, to the validity, enforceability, extent, perfection, or priority of the Promissory Note Debt that the Court shall

have the power to unwind or otherwise modify, after notice and hearing, the repayment of the Promissory Note Debt or a portion thereof (which might include the disgorgement or re-allocation of interest, costs, principal, or other incremental consideration paid in respect of the Promissory Note Debt or the avoidance of liens and/or guarantees with respect to one or more of the Debtors), as the Court shall determine.

7. *Superpriority Claims.*

(a) Pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed claims against the Debtors with priority over any and all administrative expenses, diminution claims (including all Adequate Protection Claims), and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 1113, or 1114 of the Bankruptcy Code (the "**Superpriority Claims**"), whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy, or attachment, which allowed claims shall be payable from and have recourse to all prepetition and post-petition property of the Debtors and all proceeds thereof, subject only to the Carve-Out to the extent specifically provided for herein.

(b) For purposes hereof, the "**Carve-Out**" shall be comprised of the following: (i) the unpaid fees of the Clerk of the Bankruptcy Court and the U.S. Trustee pursuant to 28 U.S.C. §1930(a)(6), and any interest accruing on the unpaid fees of the U.S. Trustee pursuant to 31 U.S.C. §3717, and (ii) the payment of (x) all fees, disbursements, costs, and expenses which are incurred before the Funding Termination Date (as defined in the DIP

Financing Documents) and after the Petition Date for each Professional (as defined below), less any amount actually paid to each such Professional retained by the Debtors or any statutory committees appointed in the case (each a "**Committee**") pursuant to Bankruptcy Code sections 327, 328, 330, 331, 503, or 1102 (collectively, the "**Professionals**") to the extent allowed at any time by the Bankruptcy Court, whether by interim order, procedural order, or otherwise, and owed pursuant to the Professionals' respective engagement letters; (y) (1) fees and expenses of the Debtors' Professionals, in an aggregate amount not to exceed $2.0 million, and (2) fees and expenses of any chapter 7 trustee appointed or elected for any of the Debtors, in an aggregate amount not to exceed $100,000 (collectively, the "**Termination Carve-Out**"), which are incurred after the Funding Termination Date, with respect to the Professionals, such fees and expenses are ultimately allowed by the Bankruptcy Court, each subject to the rights of any party in interest to object to the allowance of any such fees and expenses sought by Professionals in clauses (x) and (y) hereof. Notwithstanding anything to the contrary, an amount equal to the Termination Carve-Out shall be reserved against the Commitment. Upon the occurrence of a Funding Termination Date, an amount equal to the Termination Carve-Out shall be funded in a segregated escrow account solely to fund the Carve-Out. Notwithstanding the foregoing, no portion of the Carve-Out or proceeds of the DIP Facility may be used in connection with the investigation (including, without limitation, discovery proceedings), initiation or prosecution of any claims, causes of action, objections, or other litigation against the DIP Lenders or the Promissory Note Lender, including, but not limited to, (i) with respect to raising any defense to the validity, perfection, priority, extent, or enforceability of the obligations under the DIP Facility and/or the Promissory Note including the liens with respect thereto and (ii) with respect to pursuing any potential claims against the DIP Lenders or the Promissory Note Lender (or their

respective predecessors-in-interest, agents, affiliates, representatives, attorneys, or advisors) asserting or alleging any claims including, but not limited to, "lender liability"-type claims or causes of action, causes of actions under chapter 5 of the Bankruptcy Code (including under section 502(d) of the Bankruptcy Code), or any other claims or causes of action under, or in any way otherwise relating to, the DIP Financing Documents, the DIP Facility, the Promissory Note, the Amended DCA Agreements (as defined below); provided that up to $50,000 in the aggregate may be used to reimburse any Committee for the reasonable costs and out-of-pocket expenses incurred in connection with the investigation of the validity, perfection, and/or priority of the liens securing the Promissory Note.

8. *DIP Liens*. As security for the DIP Obligations, effective and perfected upon the date of this Order and without the necessity of the execution, recordation of filings by the Debtors of mortgages, security agreements, control agreements, pledge agreements, financing statements, or other similar documents, or the possession or control by the DIP Lenders of, or over, any Collateral (as defined below), the following security interests and liens are hereby granted to the DIP Lenders (all property identified in clauses (a), (b), and (c) below being collectively referred to as the "**Collateral**"), subject, only in the event of the occurrence of a Funding Termination Date, to the funding of the Termination Carve-Out (all such liens and security interests granted to the DIP Lenders, for its benefit and for the benefit of the Credit Parties (as defined in the DIP Credit Agreement) pursuant to this Order and the DIP Financing Documents, the "**DIP Liens**"):

(a) First Lien on Unencumbered Property. Pursuant to section 364(c)(2) of the Bankruptcy Code, a perfected first priority lien on all now owned or hereafter acquired tangible and intangible assets and property of the Debtors whether existing on the Petition Date

or thereafter acquired, that, on or as of the Petition Date (or as a result of the refinancing of the Promissory Note Debt) is not subject to valid, perfected, and non-avoidable liens, including, without limitation, accounts, documents, goods, inventory, equipment, capital stock in subsidiaries and joint ventures , investment property, instruments, chattel paper, commercial tort claims, cash, cash equivalents, securities accounts, deposit accounts, commodity accounts, real estate, leasehold interests, gate leaseholds, slots, airframes, engines, spare engines, spare parts, contracts, patents, copyrights, trademarks, causes of action (excluding avoidance actions), and other general intangibles (including, without limitation, tax refunds, and payment intangibles, and all products and proceeds thereof (including proceeds of avoidance actions), excluding only the Collateral that is an Excluded Section 1110 Asset (as defined below) or applicable law precludes granting such lien;

(b) Liens Priming Promissory Note Lender's Liens. Pursuant to section 364(d)(1) of the Bankruptcy Code, a perfected first-priority priming lien on the Promissory Note Collateral (the "**Primed Liens**"), all of which Primed Liens shall be primed by and made subject and subordinate with respect to the Promissory Note Collateral to the perfected first priority senior liens to be granted to the DIP Lenders, which senior priming liens in favor of the DIP Lenders shall also prime any liens granted after the commencement of the Chapter 11 Cases to provide adequate protection in respect of any of the Primed Liens;

(c) Liens Junior to Certain Other Liens. Pursuant to section 364(c)(3) of the Bankruptcy Code, be secured by a perfected junior lien on all Collateral, to the extent that such Collateral is subject to valid, perfected, and non-avoidable liens in favor of third parties in existence at the time of the commencement of the Chapter 11 Cases or to valid liens in existence at the time of such commencement that are perfected subsequent to such commencement as

permitted by section 546(b) of the Bankruptcy Code (other than property that is subject to the existing liens that secure the obligations under the Promissory Note, which liens shall be primed by the liens securing the obligations under the DIP Financing Documents in accordance with the terms of the DIP Financing Documents excluding only the Collateral that is an Excluded Section 1110 Asset or applicable law precludes granting such lien (the "**Existing Liens**");

(d) Liens Senior to Certain Other Liens. The DIP Liens and the Adequate Protection Liens shall not be subject or subordinate to (i) any lien or security interest that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or (ii) any liens arising after the Petition Date including, without limitation, any liens or security interests granted in favor of any federal, state, municipal, or other governmental unit, commission, board, or court for any liability of the Debtors, unless the lien is a statutory lien that arises under applicable nonbankruptcy law and is determined by the Court to be senior to the DIP Liens, and the Adequate Protection Liens.

9. *Protection of DIP Lenders' Rights.*

(a) The automatic stay provisions of section 362 of the Bankruptcy Code are vacated and modified to the extent necessary to permit the DIP Lenders to exercise, upon the occurrence and continuance of an Event of Default (as defined in the DIP Credit Agreement) and five business days' prior written notice (which shall run concurrently with any notice provided under the DIP Financing Documents) to the Debtors, counsel to the Debtors, counsel to any Committee, and to the U.S. Trustee, all rights and remedies under the DIP Financing Documents.

(b) In any hearing regarding any exercise of rights or remedies, the only issue that may be raised by any party in opposition thereto shall be whether, in fact, an Event of

Default (as defined in the DIP Credit Agreement) has occurred and is continuing, and the Debtors shall not be entitled to seek relief, including, without limitation, under section 105 of the Bankruptcy Code, to the extent such relief would in any way impair or restrict the rights and remedies of the DIP Lenders set forth in this Order or the DIP Financing Documents. In no event shall the DIP Lenders be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the Collateral.

10. *Equities of the Case Waiver*. The DIP Lenders shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code. No person may assert an "equities of the case" claim under section 552(b) of the Bankruptcy Code against the DIP Lenders with respect to proceeds, product, offspring, or profits of any of the Collateral.

11. *Limitation on Charging Expenses Against Collateral*. Except to the extent of the Carve-Out, no expenses of administration of the Chapter 11 Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the Collateral or the Promissory Note Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the DIP Lenders or the Promissory Note Lender, as the case may be, and no such consent shall be implied from any other action, inaction, or acquiescence by the DIP Lenders or the Promissory Note Lender.

12. *Adequate Protection on Account of the Promissory Note*. Pursuant to sections 361, 363(e), and 364(d)(1) of the Bankruptcy Code, and to the extent the Promissory Note is not repaid in full with proceeds of the DIP Facility, the Promissory Note Lender shall be granted the following adequate protection (collectively, the "**Adequate Protection**") of its prepetition security interests for, and equal in amount to, but without duplication, the diminution in the value

(each such diminution, a "**Diminution in Value**") of the prepetition security interests of such Promissory Note Lender, whether or not such Diminution in Value results from the sale, lease, or use by the Debtors of the Promissory Note Collateral, the priming of the prepetition security interests of such Promissory Note Lender, or the stay of enforcement of any prepetition security interest arising from section 362 of the Bankruptcy Code, or otherwise (the Promissory Note Lender consents to the priming liens securing the DIP Facility in accordance with the terms of this Order):

(a) Adequate Protection Liens. As security for and solely to the extent of any Diminution in Value of the prepetition security interests, the Promissory Note Lender shall be granted for its benefit valid, enforceable, nonavoidable, and fully perfected, as of the date of the entry of this Order and without the necessity of the execution of mortgages, security agreements, pledge agreements, financing statements, or other agreements, post-petition security interests in and liens on the Collateral (together, the "**Adequate Protection Liens**"), subject and subordinate only to (x) the Carve-Out, (y) the liens securing the DIP Facility and (z) any Existing Liens;

(b) Superpriority Claim. To the extent of any Diminution in Value of the prepetition security interests, the Promissory Note Lender shall be granted, subject to the payment of the Carve-Out, a superpriority administrative expense claim as provided for in section 507(b) of the Bankruptcy Code, immediately junior to the claims under section 364(c)(1) of the Bankruptcy Code held by the DIP Lenders under the DIP Facility, provided that the Promissory Note Lender shall not receive or retain any payments, property, or other amounts in respect of the superpriority claims under section 507(b) of the Bankruptcy Code granted hereunder or under the Promissory Note Documents unless and until the obligations under the DIP Facility have indefeasibly been paid in cash in full (the "**Adequate Protection Claim**");

(c) Current Payments of Interest and Costs. The Promissory Note Lender shall receive from the Debtors current cash payments of interest on the Promissory Note, calculated at the rates, in the manner and at the times provided in the Promissory Note (provided, however, that interest shall accrue and be paid at the default rate) and fees and expense reimbursements (the payments due hereunder and the Adequate Protection Claim, collectively the "**Adequate Protection Obligations**"). The first payment to the Promissory Note Lender under this clause (c) shall include any and all accrued but unpaid interest as of the date of commencement of the Chapter 11 Cases plus any and all interest that would have accrued from the commencement of the Chapter 11 Cases through and including the date of such first payment plus fees and expense reimbursements.

13. *No Waiver; Reservation of Rights.* Except as otherwise specifically set forth herein, the Promissory Note Lender does not waive any rights or priorities it may have under the Promissory Note Documents and expressly reserves all of the rights available to it under the Promissory Note Documents, the Bankruptcy Code, or any other applicable law.

14. *Perfection of DIP Liens and Adequate Protection Liens.*

(a) Subject to the provisions of paragraph 9(a) above, the DIP Lenders and the Promissory Note Lender are hereby authorized, but not required, to file or record financing statements, trademark filings, copyright filings, mortgages, notices of lien, or similar instruments in any jurisdiction, or take possession of or control over, or take any other action in order to validate and perfect the liens and security interests granted to them hereunder. Whether or not the DIP Lenders or the Promissory Note Lender shall, in their sole discretion, choose to file such financing statements, trademark filings, copyright filings, mortgages, notices of lien, or similar instruments, or take possession of or control over, or otherwise confirm perfection of the liens

and security interests granted to them hereunder, such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable, and not subject to challenge, dispute, or subordination, at the time and on the date of entry of this Order. Upon the request of the DIP Lenders and the Promissory Note Lender, without any further consent of any party, the DIP Lender is authorized to take, execute, deliver, and file such instruments (in each case without representation or warranty of any kind) to enable the DIP Lenders to further validate, perfect, preserve, and enforce the DIP Liens.

(b) A certified copy of this Order may, in the discretion of the DIP Lenders, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien, or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Order for filing and recording.

(c) Any provision of any lease, license, contract, or other agreement that requires (i) the consent or approval of one or more landlords or other parties or (ii) the payment of any fees or obligations to any governmental entity, in order for any Debtor to pledge, grant, sell, assign, or otherwise transfer any such lease, license, contract, or other agreement, or the proceeds thereof, or other post-petition collateral related thereto, is hereby deemed to be inconsistent with the applicable provisions of the Bankruptcy Code. Any such provision shall have no force and effect with respect to the transactions granting post-petition liens in such lease, license, contract, or other agreement, or the proceeds of any assignment and/or sale thereof by any Debtor, in favor of the DIP Lenders and the Promissory Note Lender in accordance with the terms of the DIP Financing Documents or this Order.

15. *Preservation of Rights Granted Under the Order.*

(a) Except as otherwise provided for herein, no claim or lien having a priority superior to or *pari passu* with those granted by this Order to the DIP Lenders and the Promissory Note Lender, respectively, shall be granted or allowed while any portion of the Promissory Note Debt, the DIP Facility (or any refinancing thereof) or the Commitments thereunder, or the DIP Obligations, or the Adequate Protection Obligations remain outstanding, and the DIP Liens and the Adequate Protection Liens shall not be (i) subject or junior to any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code or (ii) subordinated to or made *pari passu* with any other lien or security interest, whether under section 364(d) of the Bankruptcy Code or otherwise, in each case other than the Carve-Out.

(b) Unless all DIP Obligations shall have been indefeasibly paid in full in cash and the Promissory Note Debt, and Adequate Protection Obligations shall have been paid in full in cash, the Debtors shall not seek (i) any modifications or extensions of this Order without the prior written consent of the DIP Lenders, and no such consent shall be implied by any other action, inaction, or acquiescence by the DIP Lenders or (ii) an order converting or dismissing any of the Chapter 11 Cases. If an order dismissing any of the Chapter 11 Cases under section 1112 of the Bankruptcy Code or otherwise is at any time entered, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code) that (i) the Superpriority Claims, priming liens, security interests, and replacement security interests granted to the DIP Lenders and, as applicable, the Promissory Note Lender pursuant to this Order shall continue in full force and effect and shall maintain their priorities as provided in this Order until all DIP Obligations, Promissory Note Debt, and Adequate Protection Obligations shall have been paid and satisfied in

full (and that such Superpriority Claims, priming liens, and replacement security interests, shall, notwithstanding such dismissal, remain binding on all parties in interest) and (ii) this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the claims, liens, and security interests referred to in (i) above.

(c) If any or all of the provisions of this Order are hereafter reversed, modified, vacated, or stayed, such reversal, stay, modification, or vacation shall not affect (i) the validity of any DIP Obligations, Promissory Note Debt, or Adequate Protection Obligations incurred prior to the actual receipt of written notice by the DIP Lenders or Promissory Note Lender, as applicable, of the effective date of such reversal, stay, modification, or vacation or (ii) the validity or enforceability of any lien or priority authorized or created hereby or pursuant to the DIP Credit Agreement with respect to any DIP Obligations, Promissory Note Debt, or Adequate Protection Obligations. Notwithstanding any such reversal, stay, modification, or vacation, any DIP Obligations, Promissory Note Debt, or Adequate Protection Obligations incurred by the Debtors to the DIP Lenders or the Promissory Note Lender prior to the actual receipt of written notice by the DIP Lenders and Promissory Note Lender of the effective date of such reversal, stay, modification, or vacation shall be governed in all respects by the original provisions of this Order, and the DIP Lenders and Promissory Note Lender shall be entitled to all the rights, remedies, privileges, and benefits granted in section 364(e) of the Bankruptcy Code (including, without limitation, in respect of any payments received in connection with the refinancing of the Promissory Note Debt), this Order, and pursuant to the DIP Financing Documents with respect to all DIP Obligations, and Adequate Protection Obligations.

(d) Except as expressly provided in this Order or in the DIP Financing Documents, the DIP Liens, the Superpriority Claims, and all other rights and remedies of the DIP

Lenders granted by the provisions of this Order and the DIP Financing Documents shall survive, and shall not be modified, impaired, or discharged by (i) the entry of an order converting any of the Chapter 11 Cases to a case under chapter 7, dismissing any of the Chapter 11 Cases, terminating the joint administration of these Chapter 11 Cases, or by any other act or omission, (ii) the entry of an order approving the sale of any Collateral pursuant to section 363(b) of the Bankruptcy Code (except to the extent permitted by the DIP Documents), or (iii) the entry of an order confirming a plan of reorganization in any of the Chapter 11 Cases and, pursuant to section 1141(d)(4) of the Bankruptcy Code, the Debtors have waived any discharge as to any remaining DIP Obligations. The terms and provisions of this Order and the DIP Financing Documents shall continue in the Chapter 11 Cases, in any successor cases if the Chapter 11 Cases cease to be jointly administered, or in any superseding chapter 7 cases under the Bankruptcy Code, and the DIP Liens, the Superpriority Claims, and all other rights and remedies of the DIP Lenders granted by the provisions of this Order and the DIP Financing Documents shall continue in full force and effect until the DIP Obligations are indefeasibly paid in full.

16. *Effect of Stipulations on Third Parties*. The stipulations and admissions contained in this Order, including, without limitation, in paragraph 4 of this Order, shall be binding upon the Debtors and any successor thereto (including, without limitation, any chapter 7 or chapter 11 trustee appointed or elected for any of the Debtors) in all circumstances. The stipulations and admissions contained in this Order, including, without limitation, in paragraph 4 of this Order, shall be binding upon all other parties in interest, including, without limitation, any Committee appointed in the Chapter 11 Cases or any other person or entity acting on behalf of the Debtors' estates, unless (a) (i) a party in interest has timely filed an adversary proceeding or contested matter (subject to the limitations contained herein) by the date that is 75 days (or a longer period

for cause shown before the expiration of such period) after the entry of this order; *provided, however,* the Creditors' Committee shall have 90 days from the date of the order approving the appointment of counsel for the Creditors' Committee to make such a filing, or (ii) if such a challenge or claim is brought, the entry of a final judgment in favor of the Promissory Note Lender as has been agreed to, in writing, by the Promissory Note Lender in its sole discretion or as has been ordered by the Court (the "**Challenge Period**") (x) challenging the validity, enforceability, priority, or extent of the Promissory Note Debt or of the Promissory Note Lender's liens on the Promissory Note Collateral or (y) otherwise asserting or prosecuting any action for preferences, fraudulent conveyances, other avoidance power claims, or any other any claims, counterclaims, or causes of action, objections, contests, or defenses (collectively, "**Claims and Defenses**") against the Promissory Note Lender or its affiliates, representatives, attorneys, or advisors in connection with matters related to the Promissory Note Documents, the Promissory Note Debt, the Promissory Note Collateral, and (b) there is a final order in favor of the plaintiff sustaining any such challenge or claim in any such timely filed adversary proceeding or contested matter; *provided, however,* that, (i) as to the Debtors, all such rights to bring such Claims and Defenses are hereby irrevocably waived and relinquished as of the Petition Date and (ii) any challenge or claim shall set forth with specificity the basis for such challenge or claim and any challenges or claims not so specified prior to the expiration of the Challenge Period shall be forever deemed waived, released, and barred. Notwithstanding the foregoing, the Creditors' Committee shall have standing to commence any such an action, including the Claims and the Defenses, without the need to file a motion with this Court seeking standing to bring such action on behalf of the Debtors' estates, *provided, however,* that the Creditors' Committee will give the Debtors at least one business day's prior written notice of its intention to file such an action with

this Court. If no such adversary proceeding or contested matter is filed, (x) to the extent not theretofore repaid, the Promissory Note Debt shall constitute an allowed claim, not subject to counterclaim, setoff, subordination, recharacterization, defense, or avoidance, for all purposes in the Chapter 11 Cases and any subsequent chapter 7 cases, (y) the liens and security interests under the Promissory Note Documents, and the Adequate Protection Liens on the Promissory Note Collateral shall be deemed to have been, as of the Petition Date, legal, valid, binding, and perfected, not subject to recharacterization, subordination, or avoidance, and such liens shall not be subject to any other or further challenge by any party in interest seeking to exercise the rights of the Debtors' estates, including, without limitation, any successor thereto (including, without limitation, any chapter 7 or 11 trustee appointed or elected for any of the Debtors), and (z) the repayment of the Promissory Note Debt shall be irrevocable and shall not be subject to restitution, disgorgement, or any other challenge under any circumstances, including, without limitation, pursuant to any Claims and Defenses. If any such adversary proceeding or contested matter is timely filed, the stipulations and admissions contained in paragraph 4 of this Order shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph) on any Committee and on any other person or entity, except to the extent that such findings and admissions were expressly challenged in such adversary proceeding or contested matter. Nothing in this Order vests or confers on any Person (as defined in the Bankruptcy Code), including any Committee (other than the Creditors' Committee as set forth above), standing or authority to pursue any cause of action belonging to the Debtors or their estates, including, without limitation, Claims and Defenses with respect to the Promissory Note Documents or the Promissory Note Debt.

17. *Excluded Section 1110 Assets*.

(a) No Waiver of Section 1110 Beneficiary Rights. Nothing in this Order or the DIP Financing Documents (i) shall constitute a waiver, forbearance or adjudication of the rights of any secured party, lessor or vendor, or of any trustee, agent or controlling party for any such entity (including, without limitation, any servicer or beneficial owner of any lessor and including any secured party, lessor or vendor under any aircraft lease or mortgage) (in each case, an "**1110 Beneficiary**") under section 1110 of the Bankruptcy Code. or (ii) shall prejudice, limit or otherwise affect any rights of any 1110 Beneficiary or other entity under section 1110 of the Bankruptcy Code, all of which rights are expressly preserved.

(b) Limitation on Liens in Excluded Section 1110 Assets. Notwithstanding any provision to the contrary in this Order or the DIP Financing Documents, to the extent prohibited or restricted under any Section 1110 Agreement (as defined below), the DIP Lenders (I) shall not by this Order or the DIP Financing Documents be granted liens on, or security interests in, (i) any of the Excluded Section 1110 Assets (as defined below), (ii) any lease of, or any Debtor's leasehold interest in, the Excluded Section 1110 Assets, or (iii) any other property or Section 1110 Agreement which is subject to the rights of an 1110 Beneficiary under section 1110 of the Bankruptcy Code; (II) shall not be listed as a loss payee, as an additional insured or contract party on any insurance policy which the Debtors are obligated to any 1110 Beneficiary to obtain or maintain on or with respect to any Excluded Section 1110 Assets; (III) shall not, by virtue of this Order or the DIP Financing Documents, be entitled to exercise, assert or otherwise have the benefits of any rights or interests of any Debtor under any lease of the Excluded Section 1110 Assets or property described in clause (I) of this paragraph, including rights, or interests in, or to any sums payable to, any Debtor under any lease of the Excluded Section 1110 Assets or property described in clause (I) and rights or interests in or to any property held under such lease;

(IV) shall not be given, and the Debtors likewise shall not place, placards or other indicia of security interests or liens in or on any Excluded Section 1110 Assets or property described in clause (I) above in favor of the DIP Lenders; and (V) to the extent that any liens are granted hereunder in any Excluded Section 1110 Assets or Section 1110 Agreements, such liens shall be "silent" liens such that the DIP Lenders shall have not have the right to exercise any remedies with respect thereto until the obligations under the relevant Section 1110 Agreements have been satisfied and paid in full; *provided*, *however*, that the proceeds, if any, received by any Debtor on account of any Excluded Section 1110 Asset shall be subject to the DIP Liens and Adequate Protection Liens; and *provided*, *further*, *however*, that pursuant to Section 3.23(b) (iii) of the DIP Credit Agreement, without the consent of the DIP Lenders, the Debtors shall not grant any claim or lien in any Excluded Section 1110 Asset to any entity other than the DIP Lenders, except for any adequate protection liens expressly permitted under Section 6.18(b) of the Credit Agreement while any portion of the Promissory Note Debt, the DIP Facility (or any refinancing thereof) or the Commitments thereunder, or the DIP Obligation or the Adequate Protection Obligations remain outstanding.

(c) The term "**Excluded Section 1110 Asset**" shall mean any interest of the Debtors in (i) any equipment described in section 1110(a)(3) of the Bankruptcy Code and any substitutions, renewals and replacements thereof, and any improvements, accessions and accumulations incident thereto, (ii) any other asset with respect to which the granting of any lien would cause a default, directly or indirectly, of any Section 1110 Agreement and (iii) any deposit or reserve delivered by a Debtor to a Section 1110 Beneficiary in connection with the purchase, finance or lease of an Excluded Section 1110 Asset, to the extent that there is a restriction or prohibition in the related Section 1110 Agreement on the granting of any liens or assignments;

provided that the DIP Liens shall attach automatically to any reversionary or residual interest any Debtor may have in such deposit or reserve upon the satisfaction of the obligations secured thereby.

(d) The term "**Section 1110 Agreement**" shall mean any agreement related to the Excluded Section 1110 Assets, including, without limitation, security agreements, mortgages, trusts, leases, conditional sale agreements or other instruments applicable to such Excluded Section 1110 Assets.

18. *Use of DIP Facility and Collateral*.

(a) Permitted Uses. In accordance with the terms of the DIP Credit Agreement, the Debtors shall use the DIP Facility, pursuant to the Budget, (i) to provide working capital for, and for other general corporate purposes of, the Borrower and its subsidiaries, including the payment of expenses of administration in the Chapter 11 Cases, (ii) to repay in full the Promissory Note, and (iii) to pay the costs and expenses of the DIP Lenders, in each case in accordance with the budget under the DIP Financing Documents.

(b) Limitations on Use. Notwithstanding anything herein or in any other order by this Court to the contrary, no borrowings, Collateral, or the Carve-Out may be used to (i) object, contest, or raise any defense to, the validity, perfection, priority, extent, or enforceability of any amount due under the DIP Financing Documents or the Promissory Note Documents, or the liens or claims granted under this Order, the DIP Financing Documents or the Promissory Note Documents, (ii) assert any Claims and Defenses or causes of action against the DIP Lenders or the Promissory Note Lender or their respective agents, affiliates, representatives, attorneys, or advisors, (iii) prevent, hinder, or otherwise delay the DIP Lenders' assertion, enforcement or realization on the Collateral in accordance with the DIP Financing Documents or

this Order, (iv) seek to modify any of the rights granted to the DIP Lenders or the Promissory Note Lender hereunder or under the DIP Financing Documents or the Promissory Note Documents, in each of the foregoing cases without such parties' prior written consent, or (v) pay any amount on account of any claims arising prior to the Petition Date unless such payments are (1) approved by an order of this Court (including hereunder) and (2) in accordance with the DIP Credit Agreement and any relevant budgets; *provided, however,* that advisors to the Creditors' Committee may investigate the liens granted pursuant to the Promissory Note Documents and, subject to any applicable law with respect to standing, commence and prosecute any related proceedings as a representative of the Debtors' estates at an aggregate expense for such investigation and prosecution not to exceed $50,000.

19. *Indemnity and Release from Liability*.

(a) The DIP Lenders (and their affiliates and their respective officers, directors, employees, advisors, and agents) will have no liability for, and will be indemnified and held harmless against, any loss, liability, cost, or expense incurred in respect of the DIP Facility contemplated hereby or the use or the proposed use of proceeds thereof; *provided, however*, that the Debtors shall have no obligation to indemnify any indemnified person against any such loss, liability, cost, or expense to the extent its arises from the gross negligence or willful misconduct of such indemnified party as determined by a final and non-appealable order of a court of competent jurisdiction. The DIP Lenders shall not be responsible or liable to any Debtors, any of its subsidiaries, or any other person for special, consequential, or punitive damages.

(b) The DIP Lenders, effective immediately, and the Promissory Note Lender, effective only upon the expiry of the Challenge Period, are hereby released from

liability for all claims and causes of action existing as of the Petition Date arising out of or relating to the DIP Facility, the Promissory Note Documents, and all other agreements, certificates, instruments, and other documents and statements related thereto. Notwithstanding anything to the contrary herein, claims, causes of action and rights to payment that Standard Aero Ltd. ("**Standard Aero**") has, may have, that may arise or that Standard Aero may assert against Delta and/or the Debtors under agreements between Standard Aero, Delta, and/or the Debtors and applicable law are not being released, waived or modified.

20. *Order Governs*. In the event of any inconsistency between the provisions of this Order and the DIP Financing Documents, the provisions of this Order shall govern.

21. *DIP Lenders Not Responsible Persons*. In (a) making the decision to provide the DIP Facility; (b) administering the DIP Facility; (c) extending related financial accommodations to the Debtors; and (d) making the decision to collect the indebtedness and obligations of the Debtors, the DIP Lenders shall not be considered to be exercising control over any operations of the Debtors or acting in any way as a "responsible person," or as an "owner or operator" with respect to the operation or management of the Debtors, so long as the actions of the DIP Lenders do not constitute within the meaning of 42 U.S.C. § 9601(20)(F), actual participation in the management or operational affairs of a facility owned or operated by a Debtor, or otherwise cause liability to arise to the federal or state government or the status of responsible person or managing agent to exist under applicable law (as such terms, or any similar terms, are used in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601, *et seq.*, the Resource Conservation and Recovery Act, 42 U.S.C. 6901, *et seq.*, as either may be amended from time to time, or any similar federal, state, or local law, statute, or ordinance).

22. *Binding Effect; Successors and Assigns*. The DIP Financing Documents and the provisions of this Order, including, but not limited to, all findings herein, shall be binding upon all parties in interest in the Chapter 11 Cases, including, without limitation, the DIP Lenders and the Promissory Note Lender, any Committee, and the Debtors and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for the estate of any of the Debtors) and shall inure to the benefit of the DIP Lenders, the Promissory Note Lender, and the Debtors and their respective successors and assigns; *provided*, *however*, that the DIP Lenders shall have no obligation to extend any financing to any chapter 7 trustee or similar responsible person appointed for the estates of the Debtors.

23. *Assumption of the Amended Flying Agreements*. Pursuant to section 365 of the Bankruptcy Code, the Debtors' assumption of (a) the Amended 2007 CRJ-900 Agreement as further amended by the third amendment to the 2007 DCA (the "**Amended 2007 DCA**"), (b) that certain Amended and Restated Delta Connection Agreement, which amends the 2010 DCA (the "**Amended and Restated 2010 DCA**"), and (c) that certain Fourth Amended and Restated Airline Services Agreement, which amends and restates the Amended and Restated CRJ-200 Agreement (the "**Amended and Restated ASA**," and together with the Amended 2007 DCA and the Amended and Restated 2010 DCA, the "**Amended DCA Agreements**"), all of which were filed with the Court under seal pursuant to an order of this Court [Docket 26], is hereby approved.

24. *DIP Lender's Unsecured Claim*. The Delta Claim is hereby allowed as a general unsecured claim for damages as a result of the modifications to the 2007 DCA as set forth in the Amended 2007 DCA, in an amount to be subsequently determined by the Court. The Delta Claim will be treated solely as a general unsecured claim, and Delta shall receive a distribution

on account of such claim identical to the distributions received by other holders of allowed general unsecured claims. The amount of the Delta Claim need not be cured in connection with the assumption of the Amended DCA Agreements, and the amount of the Delta Claim will not be offset against any amounts owed by Delta to the Company.

25. Any determination regarding Delta's reasonableness in exercising its approval rights under either Milestone 5 or 6 on Annex F to the DIP Credit Agreement shall be made by this Court.

26. The statements made on the record at the Hearing by Delta's counsel regarding the Court's need for flexibility regarding the deadline for ruling on an 1113 motion set forth in Milestone 6 on Annex F of the DIP Credit Agreement are incorporated herein by reference.

27. The requirements set forth in Bankruptcy Role 6003 are satisfied by the contents of the Motion or otherwise deemed waived

28. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such motion and the requirements of Bankruptcy Rule 6004(a) and the Local Bankruptcy Rules for the Southern District of New York are satisfied by such notice.

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

30. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

31. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

32. This Order shall be governed by the rules of construction set forth in section 102 of the Bankruptcy Code.

Dated: May ***17***, 2012
New York, New York

/s/***Robert E. Gerber***
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT F

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
TERRESTAR NETWORKS INC., *et al.*,[1]	)	Case No. 10-15446 (SHL)
Debtors.	)	Jointly Administered

FINAL 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; AND (III) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED PARTIES

Upon the motion, dated October 19, 2010 (the "Motion"), of TerreStar Networks Inc. ("TSN") and each of its affiliated debtors and debtors in possession (collectively, the "Debtors") in the above-captioned cases (the "Cases") commenced on October 19, 2010 (the "Petition Date"), for interim and final orders under sections 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e) of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (as amended, the "Bankruptcy Code"), and Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (as amended, the "Bankruptcy Rules"), and the Local

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal taxpayer-identification number, are: TerreStar New York Inc. (6394); TerreStar Networks Inc. (3931); Motient Communications Inc. (3833); Motient Holdings Inc. (6634); Motient License Inc. (2431); Motient Services Inc. (5106); Motient Ventures Holding Inc. (6191); MVH Holdings Inc. (9756); TerreStar License Inc. (6537); TerreStar National Services Inc. (6319); TerreStar Networks Holdings (Canada) Inc. (1337); TerreStar Networks (Canada) Inc. (8766) and 0887729 B.C. Ltd. (1345). For the avoidance of doubt, pursuant to Section 9.17 of that certain First Amendment to the DIP Agreement dated as of November 12, 2010, from and after the Repayment Date, the Non-Subsidiary Guarantors shall cease to be Loan Parties under the DIP Agreement and each other Loan Document and shall be released from all obligations (including the guarantee and security interests provided by such Persons under Article X) under the DIP Agreement and all other Loan Documents. Accordingly, after the Repayment Date, "Debtors," as used herein, shall exclude the Non-Subsidiary Guarantors as defined in the DIP Agreement.

Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York (the "Local Rules"), seeking:

(I) authorization (a) for TSN (the "Borrower") to obtain up to $75 million (plus fees, interest and other amounts to be capitalized in accordance with the terms of the DIP Documents (defined below)) in aggregate principal amount of postpetition financing (the "DIP Financing") on the terms and conditions set forth in this final order (this "Final Order") and that certain Debtor-In-Possession Credit, Security & Guaranty Agreement (substantially in the form annexed to the Motion as Exhibit A, as amended by that certain First Amendment to the DIP Agreement dated as of November 12, 2010, and as hereafter amended, supplemented or otherwise modified from time to time, the "DIP Agreement";[2] and, collectively with all agreements, guaranties, collateral agreements, documents and instruments delivered or executed from time to time in connection therewith, as hereafter amended, supplemented or otherwise modified from time to time, the "DIP Documents"), among the Borrower, the Guarantors (as defined below), EchoStar Corporation ("EchoStar" or the "Initial Lender"), and the other lenders that may become party thereto from time to time (collectively, the "DIP Lenders"), and The Bank of New York Mellon, as Administrative Agent and Collateral Agent (in such capacity, the "DIP Agent"), and (b) for each of the Debtors other than the Borrower (the "Guarantors"), to jointly and severally (except as provided in section 10.17 of the DIP Agreement) guaranty on a secured basis the Borrower's obligations in respect of the DIP Financing;

[2] Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the DIP Agreement.

(II) authorization for the Debtors to execute and deliver the DIP Agreement and the other DIP Documents and to perform such other and further acts as may be necessary or appropriate in connection therewith;

(III) authorization for the Debtors to use the Cash Collateral (as defined in paragraph 4(g) below) pursuant to sections 361, 362 and 363 of the Bankruptcy Code, and all other Prepetition Collateral (as defined in paragraph 4(d) below);

(IV) to grant adequate protection to the PMCA Agent, each PMCA Lender, the 15% Notes Trustee/Agent, and the 15% Noteholders (each as defined below, and together, the "Prepetition Secured Parties" and, excluding the 15% Noteholders, the "Prepetition Secured Notice Parties") with respect to such use of Cash Collateral and any diminution in the value of the Prepetition Collateral securing the Debtors' obligations (the "Prepetition Secured Obligations") under or in connection with: (i) that certain Terrestar-2 Purchase Money Credit Agreement, dated as of February 5, 2008 (as amended, restated, supplemented or otherwise modified from time to time, and including any mortgage, security, pledge, control or guaranty agreements or other documentation executed in connection with the foregoing, the "PMCA"), among TSN, as borrower, U.S. Bank National Association, as collateral agent (in such capacity, the "PMCA Agent"), the guarantors party thereto from time to time, and Harbinger Capital Partners Master Fund 1, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and EchoStar, as lenders (the "PMCA Lenders"); and (ii) the 15.0% senior secured payment-in-kind notes due 2014 (the "15% Notes") issued pursuant to that certain Indenture, dated as of February 14, 2007, among TSN, as issuer, U.S. Bank National Association, as indenture trustee and collateral agent (in such capacity, the "15% Notes Trustee/Agent" and together with the PMCA Agent, the "Prepetition Agent"), and the guarantors from time to time party thereto (as amended,

restated, supplemented or otherwise modified from time to time, including by that certain First Supplemental Indenture, dated as of February 7, 2008, and that certain Second Supplemental Indenture, dated as of February 7, 2008, and including any mortgage, security, pledge, control or guaranty agreements or other documentation executed in connection with the foregoing, the "15% Notes Indenture" and, together with the PMCA, the "Prepetition Loan Documents");

(V) authorization for the DIP Agent to, subject to paragraph 9 below, upon the occurrence and continuance of an Event of Default: (a) reduce the amount of or terminate any outstanding Commitments under the DIP Agreement, (b) terminate the DIP Agreement, (c) charge the default rate of interest on the Loans, (d) declare the entirety of the Loans to be due and payable, and/or (e) subject to the Carve-Out (as defined in paragraph 7(b) below), exercise any and all remedies under applicable law (including the UCC and PPSA);

(VI) the waiver by the Debtors of any right to seek to surcharge the DIP Collateral (as defined in paragraph 8 below) pursuant to section 506(c) of the Bankruptcy Code or any other applicable law or principle of equity, which grant constitutes an "extraordinary provision" (a "Material Provision") under General Order M-274 of the United States Bankruptcy Court for the Southern District of New York;;

(VII) at a hearing (the "Final Hearing") on the Motion before this Court, pursuant to Bankruptcy Rule 4001, entry of this Final Order: (a) authorizing the Borrower to borrow under the DIP Agreement an aggregate principal amount not to exceed $75 million (plus fees, interest and other amounts to be capitalized in accordance with the terms of the DIP Documents), (b) authorizing the Debtors to use the Cash Collateral and the other Prepetition Collateral, and (c) granting adequate protection to the Prepetition Secured Parties.

The hearing on entry of the order granting the Motion on an interim basis (the "Interim Order") having been held by this Court on October 20, 2010 (the "Interim Hearing"); and the Final Hearing having been held by this Court on November 16, 2010; and upon the record made by the Debtors at the Interim Hearing and Final Hearing, including, without limitation, the admission into evidence of (i) the First Day Declaration, (ii) the Epstein DIP Declaration, (iii) the Zelin Declaration (each as defined in the Motion), and (iv) that certain First Amendment to the DIP Agreement dated as of November 12, 2010, and the other evidence submitted or adduced and the arguments of counsel made at the Interim Hearing and Final Hearing; and after due deliberation and consideration and sufficient cause appearing therefor;

IT IS FOUND, DETERMINED, ORDERED AND ADJUDGED, that:

1. *Disposition.* The Motion is granted on a final basis in accordance with the terms of this Final Order. Any objections to the Motion with respect to the entry of this Final Order that have not been withdrawn, waived or settled, and all reservation of rights included therein, are hereby denied and overruled.

2. *Jurisdiction/Venue.* This Court has core jurisdiction over the Cases, this Motion, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. *Notice.* Based upon the Debtors' representations, notice of the Motion and the relief requested therein, and the relief requested at the Final Hearing was served by the Debtors by electronic mail, facsimile, or overnight mail to: (a) the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee"); (b) the entities listed on the Consolidated List of Creditors Holding the 30 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) The Bank of New York Mellon as agent for the Debtors' proposed

postpetition debtor-in-possession financing; (d) Emmet, Marvin & Martin LLP as counsel to the agent for the Debtors' proposed postpetition debtor-in-possession financing; (e) U.S. Bank National Association as Collateral Agent for the Debtors' purchase money credit facility and Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and EchoStar Corporation as Lenders thereunder; (f) Weil, Gotshal & Manges LLP as counsel to Harbinger Capital Partners Master Fund I, Ltd. and Harbinger Capital Partners Special Situations Fund, L.P. in their capacity as Lenders under the Debtors' purchase money credit facility; (g) Willkie Farr & Gallagher LLP as counsel to EchoStar Corporation in its capacity as Lender under the Debtors' purchase money credit facility and Initial Lender under the Debtors' proposed postpetition debtor-in-possession financing; (h) U.S. Bank National Association as Indenture Trustee for the Debtors' 15% Senior Secured Notes; (i) U.S. Bank National Association as Indenture Trustee for the Debtors' 6.5% Senior Exchangeable Notes, succeeded by Deutsche Bank National Trust Company; (j) Quinn Emanuel Urquhart & Sullivan, LLP as counsel to an Ad Hoc group of the Debtors' 6.5% Senior Exchangeable Notes; (k) Kirkland & Ellis LLP as counsel to an Ad Hoc group of holders of 15% Senior Secured Notes (the "15% Notes Ad Hoc Group"); (l) the Internal Revenue Service; (m) the Securities and Exchange Commission; (n) the United States Attorney for the Southern District of New York; and (o) the Federal Communications Commission. Under the circumstances, the notice provided of the Motion, the relief requested therein and the Final Hearing constitutes due and sufficient notice thereof, complies with Bankruptcy Rules 4001(c) and (d) and the Local Rules, and no further notice of the relief sought at the Final Hearing and the relief granted herein is necessary or required.

4. *Debtors' Stipulations*. Subject to the limitations contained in paragraph 17 below, the Debtors admit, stipulate, and agree that:

(a) as of the Petition Date, certain of the Debtors were justly and lawfully indebted and liable, without defense, counterclaim or offset of any kind, to the PMCA Lenders, in the amount of not less than $85.9 million of principal and accrued interest (such obligations, in addition to the obligations described below, the "Prepetition PMCA Obligations"), in respect of loans or other financial accommodations made by the PMCA Lenders pursuant to, and in accordance with the terms of, the PMCA, plus, in each case, accrued and unpaid interest thereon (such interest accruing at the default rate) and costs and expenses and other obligations owing under the PMCA;

(b) as of the Petition Date, certain of the Debtors[3] were justly and lawfully indebted and liable, without defense, counterclaim or offset of any kind, to the holders of 15% Notes (the "15% Noteholders"), in the amount of not less than $943.9 million of principal and accrued interest (such obligations, in addition other obligations described below in this paragraph, the "Prepetition 15% Notes Obligations" and, together with the Prepetition PMCA Obligations the "Prepetition Obligations"), in respect of loans or other financial accommodations made by the 15% Noteholders pursuant to, and in accordance with the terms of, the 15% Notes Indenture, plus, in each case, accrued and unpaid interest thereon and costs and expenses and other obligations owing under the 15% Notes Indenture;

(c) the liens and security interests granted to the PMCA Agent to secure the Prepetition PMCA Obligations (the "PMCA Liens") are (i) valid, binding, perfected,

[3] For the avoidance of doubt, notwithstanding anything to the contrary herein, 0887729 B.C. Ltd. is not obligated under the 15% Notes Indenture and the assets of 0887729 B.C. Ltd. were not pledged to the 15% Notes Trustee/Agent.

enforceable, first priority (subject to permitted exceptions under the PMCA) liens on and security interests in the personal and real property constituting "Collateral" under, and as defined in, the PMCA (including Cash Collateral, the "PMCA Collateral"), (ii) not subject to objection, defense, counterclaim, offset, contest, attachment, avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law, and (iii) subject and subordinate only to valid, perfected, enforceable and unavoidable liens permitted under the PMCA to the extent such permitted liens are senior to the liens securing the PMCA (the "PMCA Permitted Prepetition Liens") and the Carve-Out (as defined in paragraph 7(b) below);

(d) the liens and security interests granted to the 15% Notes Trustee/Agent to secure the Prepetition 15% Notes Obligations (the "15% Notes Liens" and, together with the PMCA Liens, the "Prepetition Secured Party Liens") are (i) valid, binding, perfected, enforceable, first priority (subject to permitted exceptions under the 15% Notes Indenture) liens on and security interests in the personal and real property constituting "Collateral"[4] under, and as defined in, the 15% Notes Indenture (including Cash Collateral, the "15% Notes Collateral" and, together with the PMCA Collateral, the "Prepetition Collateral"), (ii) not subject to objection, defense, counterclaim, offset, contest, attachment, avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law, and (iii) subject and subordinate only to valid, perfected, enforceable and unavoidable liens permitted under the 15% Notes Indenture to the extent such permitted liens are senior to the liens securing the Prepetition 15% Notes Obligations (the "15% Notes Permitted Prepetition Liens" and, together with the PMCA Permitted Prepetition Liens, the "Permitted Prepetition Liens") and the Carve-Out;

[4] For the purposes of this Final Order, the Debtors do not stipulate, nor do they take a position on, whether the PMCA Collateral is "Collateral," as defined in the 15% Notes Indenture.

(e) the Prepetition Obligations constitute the legal, valid and binding obligations of the Debtors, enforceable in accordance with their terms (other than in respect of the stay of enforcement arising under section 362 of the Bankruptcy Code);

(f) (i) no portion of the Prepetition Obligations shall be subject to objection, defense, counterclaim, offset, avoidance, recharacterization, recovery or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law, and (ii) the Debtors do not have, and hereby forever release, any claims (as defined in section 101(5) of the Bankruptcy Code), counterclaims, causes of action, defenses, setoff or recoupment rights, whether arising under the Bankruptcy Code or applicable nonbankruptcy law, against the Prepetition Secured Parties and their respective affiliates, subsidiaries, agents, officers, directors, employees, attorneys and advisors, in each case, solely in their capacity as Prepetition Secured Parties; and

(g) a portion of the Debtors' cash constitutes Prepetition Collateral and, therefore, is cash collateral of the Prepetition Secured Parties within the meaning of section 363(a) of the Bankruptcy Code (the "Cash Collateral").

5. *Findings Regarding the DIP Financing.*

(a) Based upon the record presented to the Court by the Debtors, it appears that the Debtors have an immediate need to obtain the DIP Financing and to use the Prepetition Collateral, including any Cash Collateral, in order to, among other things, permit the orderly continuation of their businesses, preserve the going concern value of the Debtors, pay the costs of administration of their estates and for the other purposes set forth in the DIP Documents. The Debtors' use of the Prepetition Collateral (including the Cash Collateral) and the DIP Financing is necessary to ensure that the Debtors have sufficient working capital and liquidity to preserve

and maintain the going concern value of the Debtors' estates. Good cause has, therefore, been shown for entry of this Final Order.

(b) The Debtors are unable to obtain financing on more favorable terms from sources other than the DIP Lenders pursuant to, and for the purposes set forth in, the DIP Documents and are unable to obtain adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense. The Debtors are also unable to obtain secured credit allowable under sections 364(c)(1), 364(c)(2) and 364(c)(3) of the Bankruptcy Code without the Debtors granting to the DIP Agent for the benefit of itself and the DIP Lenders, subject to the Carve-Out, (i) the DIP Liens (as defined in paragraph 8 below), including the priming DIP Liens described in paragraph 8(b) below, and (ii) the Superpriority Claims (as defined in paragraph 7(a) below), in each case on the terms and conditions set forth in this Final Order and the DIP Documents. Specifically, no party or parties other than the DIP Lenders would provide postpetition financing to the Debtors absent the Debtors granting such parties priming liens on the Debtors' assets pursuant to section 364(d)(1) of the Bankruptcy Code, and the Debtors were unable to satisfy the requirements of section 364(d)(1) of the Bankruptcy Code.

(c) The terms of the DIP Documents and the use of the Prepetition Collateral (including the Cash Collateral) pursuant to this Final Order and the DIP Agreement reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties. The Debtors will receive and have received fair and reasonable consideration in exchange for access to the DIP Financing and all other financial accommodations provided under the DIP Documents and this Final Order.

(d) The DIP Documents and the terms and conditions of the Debtors' use of the Prepetition Collateral (including the Cash Collateral) have been the subject of negotiations

conducted in good faith and at arm's length among the Debtors, the DIP Agent, the DIP Lenders, the Prepetition Agent and the PMCA Lenders, and the terms of the Debtors' use of Cash Collateral and all of the Debtors' obligations and indebtedness arising under or in connection with the DIP Financing, including without limitation, (i) all Loans made to, and guaranties issued by, the Debtors pursuant to the DIP Agreement, (ii) the Debtors' obligation to pay all reasonable costs and expenses of (a) the Initial Lender (including all reasonable, actual and documented fees, expenses and disbursements of the Initial Lender's counsel and financial advisors, i.e., Willkie Farr & Gallagher LLP, Sullivan & Cromwell LLP, Goodmans LLP, Steptoe & Johnson LLP and Lazard Ltd.), and (b) the DIP Agent (including all reasonable, actual and documented fees, expenses and disbursements of the DIP Agent's counsel, i.e., Emmet, Marvin & Martin, LLP) in connection with the preparation, execution and delivery of the DIP Agreement and the funding of the DIP Financing, and (iii) all other obligations (including, without limitation, indemnification and fee obligations) of the Debtors under the DIP Documents and this Final Order now or hereafter owing to the DIP Agent or any DIP Lender (collectively, (i), (ii) and (iii), the "DIP Obligations") shall be deemed to have been extended by the DIP Agent and the DIP Lenders in "good faith" as such term is used in section 364(e) of the Bankruptcy Code, and in express reliance upon the protections set forth therein, and shall be entitled to the full protection of section 364(e) of the Bankruptcy Code, in the event that this Order or any provision hereof is vacated, reversed or modified on appeal or otherwise.

(e) The Debtors have requested immediate entry of this Final Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2) and Local Rule 4001-2. Absent the relief set forth in this Final Order, the Debtors' estates will be immediately and irreparably harmed. Consummation of the DIP Financing and authorization of the use of the Prepetition Collateral

(including the Cash Collateral) in accordance with this Final Order and the DIP Documents are, therefore, in the best interest of the Debtors' estates and are consistent with the Debtors' fiduciary duties.

6. *Authorization Of The DIP Financing And The DIP Documents.*

(a) The Debtors are hereby authorized to enter into and perform their obligations under the DIP Documents and, in the case of (i) the Borrower, to borrow thereunder up to an aggregate principal amount of $75 million (plus fees, interest and other amounts to be capitalized in accordance with the terms of the DIP Documents) for working capital and other general corporate purposes of the Debtors and to pay interest, fees and all other expenses provided for in the DIP Documents, all in accordance with the terms of this Final Order, the DIP Agreement and the other DIP Documents, and (ii) the Guarantors, to jointly and severally (except as provided in section 10.17 of the DIP Agreement) guaranty such borrowing and all other DIP Obligations.

(b) The Debtors are authorized to use the proceeds of borrowings under the DIP Agreement and Cash Collateral in accordance with and to the extent permitted by the DIP Documents.

(c) In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized, and the automatic stay imposed by section 362 of the Bankruptcy Code is hereby lifted to the extent necessary, to perform all acts and to execute and deliver all instruments and documents that the DIP Agent or the Initial Lender determines to be reasonably required or necessary for the Debtors' performance of their obligations under the DIP Documents, including without limitation:

(i) the execution, delivery and performance of the DIP Documents;

(ii) the execution, delivery and performance of one or more amendments, waivers, consents or other modifications to and under the DIP Documents, in each case in such form as the Debtors, the DIP Agent and the requisite DIP Lenders may agree, and no further approval of this Court shall be required for immaterial amendments, waivers, consents or other modifications to and under the DIP Documents (and any reasonable fees paid in connection therewith) that do not (A) shorten the maturity of the Loans or (B) increase the Commitments or the rate of interest payable on the Loans under the DIP Agreement; provided, that no amendment, waiver, consent or other modification having a material adverse effect on the 15% Notes Liens shall be deemed to be immaterial; provided further, that a copy of any amendment, waiver, consent or other modification to the DIP Documents shall be provided by the Debtors to (X) the U.S. Trustee, (Y) counsel to any statutory committee of unsecured creditors appointed in the Cases (the "Committee"), and (Z) counsel to the Prepetition Secured Notice Parties;

(iii) the non-refundable payment to the DIP Agent, its affiliates and the DIP Lenders, in their capacity as such, as the case may be, of (A) the fees set forth in the DIP Documents (including, without limitation, the fees provided for in the Fee Schedule, dated October 7, 2010, between the Borrower and the DIP Agent) and (B) such reasonable, actual, and documented costs and expenses as may be due from time to time under the DIP Documents, all as provided in the DIP Documents and all of which constitute DIP Obligations; and

(iv) the performance of all other acts required under or in connection with the DIP Documents.

(d) Upon execution and delivery of the DIP Documents, the DIP Documents shall constitute valid and binding obligations of the Debtors, enforceable against the Debtors in

accordance with the terms of this Final Order and the DIP Documents. No obligation, payment, transfer or grant of security under the DIP Documents or this Final Order shall be stayed, voidable, avoidable or recoverable under the Bankruptcy Code or under any applicable nonbankruptcy law (including without limitation, under sections 502(d), 548 or 549 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law), or subject to any defense, reduction, setoff, recoupment or counterclaim.

(e) The Debtors have provided the DIP Lenders with the 13-week cash flow projection included hereto in Exhibit A (the "Initial 13-Week Projection"). On a bi-weekly basis, the Debtors will provide the DIP Agent, DIP Lenders, the Prepetition Agent, the professionals retained by the Committee, and the professionals retained by the 15% Notes Ad Hoc Group (the "15% Ad Hoc Group Professionals" whose access to information pursuant to this Final Order shall be on a professional's eyes only basis) pursuant to Court Order with an updated cash flow projection for the following 13 weeks.

(f) *Oversecured Status of the Prepetition PMCA Obligations.* Effective *nunc pro tunc* to the Petition Date and for all purposes in these Cases, the value of the PMCA Collateral shall be deemed to exceed the value of the Prepetition PMCA Obligations.

7. *Superpriority Claims.*

(a) Pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed senior administrative expense claims (the "Superpriority Claims") against the Debtors and, except to the extent expressly set forth in this Final Order in respect of the Carve-Out, such Superpriority Claims shall have priority over any and all administrative expenses, adequate protection claims and all other claims against the Debtors,

now existing or hereafter arising, of any kind whatsoever, including without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546, 1113 or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, which allowed claims shall for purposes of section 1129(a)(9)(A) of the Bankruptcy Code be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, and which Superpriority Claims shall be payable from and have recourse to all prepetition and postpetition property of the Debtors and all proceeds thereof, excluding the Debtors' claims and causes of action arising under sections 542-553 of the Bankruptcy Code (collectively, the "Avoidance Actions") and any proceeds thereof. For the avoidance of doubt, the DIP Obligations of any Non-Subsidiary Guarantor shall be limited to the extent set forth in section 10.17(a) of the DIP Agreement.

(b) For purposes hereof, the "Carve-Out" shall mean: (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code; (ii) fees and expenses up to $100,000 incurred by a trustee under section 726(b) of the Bankruptcy Code; (iii) with respect to the information officer (the "Information Officer") to be appointed by the Canadian Court in connection with the proceedings commenced pursuant to the Companies' Creditors Arrangement Act (Canada) R.S.C. 1985, c. C-36 as amended in the Ontario Superior Court of Justice (Commercial List) in Toronto, Ontario, Canada (the "Canadian Proceedings"), all fees and expenses required to be paid to the Information Officer in connection with the Canadian Proceedings, including to the extent secured by the charge to be granted by the Canadian Court

over the Debtors' assets in Canada, in the maximum amount of CDN $125,000, to secure payment of any such fees and expenses of the Information Officer; and (iv) after the occurrence and during the continuance of an Event of Default under the DIP Documents, the payment of allowed professional fees and disbursements incurred by the Debtors or the Committee after the occurrence of the Event of Default not in excess of $800,000 (plus all unpaid professional fees and expenses allowed by this Court that were incurred prior to the occurrence of such Event of Default); provided that (X) the Carve-Out shall not be available to pay any such professional fees and expenses incurred in connection with the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the DIP Agent, the DIP Lenders, or the Prepetition Secured Parties or liens and claims held by DIP Agent, the DIP Lenders, the Prepetition Secured Parties, (Y) so long as no Event of Default shall have occurred and be continuing, the Carve-Out shall not be reduced by the payment of fees and expenses allowed by this Court under sections 328, 330 and 331 of the Bankruptcy Code, and (Z) nothing in this Final Order shall impair the right of any party to object to the reasonableness of any such fees or expenses to be paid by the Debtors' estates.

8. *DIP Liens*. As security for the DIP Obligations, effective and perfected upon the date of this Final Order and without the necessity of the execution by the Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, mortgages or other similar documents, or the possession or control by the DIP Agent of any property, the following security interests and liens are hereby granted to the DIP Agent, for its own benefit and the benefit of the DIP Lenders (all property identified in clauses (a), (b) and (c) below being collectively referred to as the "DIP Collateral"), subject only to the Carve-Out (all such liens and security interests granted to the DIP Agent, for its benefit

and for the benefit of the DIP Lenders, pursuant to this Final Order and the DIP Documents, the "DIP Liens"):

(a) *First Lien on Unencumbered Property*. Pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority lien on, and security interest in, all tangible and intangible prepetition and postpetition property in which the Debtors have an interest, whether existing on or as of the Petition Date or thereafter acquired, that is not subject to valid, perfected, non-avoidable and enforceable liens in existence on or as of the Petition Date (collectively, and excluding any property that is excluded from the definition of "Collateral" in section 10.01 of the DIP Agreement, the "Unencumbered Property"), including without limitation, any and all unencumbered cash, accounts receivable, other rights to payment, inventory, general intangibles, contracts, securities, chattel paper, owned real estate, real property leaseholds, fixtures, machinery, equipment, deposit accounts, patents, copyrights, trademarks, tradenames, rights under license agreements and other intellectual property, instruments, investment property, goods, satellites, spare satellites, ground stations, commercial tort claims, proceeds from the disposition of Federal Communications Commission and/or Industry Canada licenses (and the Federal Communications Commission and/or Industry Canada licenses themselves, to the fullest extent permitted by applicable law), books and records, in each case, wherever located, and the proceeds, products, rents and profits of all of the foregoing, but excluding Avoidance Actions and any proceeds thereof.

(b) *Liens Junior to Certain Existing Liens*. Pursuant to section 364(c)(3) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected lien on, and security interest in, all tangible and intangible prepetition and postpetition property in which the Debtors have an interest, whether now existing or hereafter acquired and all proceeds thereof,

that is subject to the Prepetition Secured Party Liens or the Permitted Prepetition Liens, which security interest and lien shall be junior to (i) the Prepetition Secured Party Liens and the Permitted Prepetition Liens (but only to the extent such liens secure valid and enforceable Prepetition Secured Obligations), and (ii) the Carve-Out, but senior to all other liens.

(c) *Liens Priming TSN Secured Party Liens*. Pursuant to section 364(d)(1) of the Bankruptcy Code, and based upon the consent of the TSN Secured Party (as defined below), a valid, binding, continuing, enforceable, fully-perfected, priming lien on, and security interest in, all now existing or hereafter acquired property of TerreStar Networks (Canada) Inc. that constitutes "Collateral" (as defined in the TSN Security Agreement (defined below)) (the "TSN Collateral") under that certain Second Amended and Restated Security Agreement, dated August 11, 2009, as amended, by and between TerreStar Networks Inc., as Secured Party (the "TSN Secured Party"), and TerreStar Canada Inc., as Obligor (the "TSN Security Agreement"). The DIP Liens on the TSN Collateral shall be senior in all respects to the security interests in, and liens on, the TSN Collateral of the TSN Secured Party (the "TSN Security Agreement Liens"), but shall be junior to: (a) the 15% Notes Permitted Prepetition Liens; (b) the 15% Notes Liens; and (c) the Carve-Out.

(d) *Liens Senior to Certain Other Liens*. The DIP Liens and the Adequate Protection Liens (as defined in paragraph 13(a) below) shall not be (i) subject or subordinate to (A) any lien or security interest that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code, except to the extent the lien avoided gave rise to the claim for adequate protection, or (B) any liens arising after the Petition Date, including without limitation, any liens or security interests granted in favor of any federal, state, municipal or other governmental unit, commission, board or court for any liability of the Debtors

or (ii) subordinated to or made *pari passu* with any other lien or security interest (other than the Permitted Prepetition Liens, the Prepetition Secured Party Liens, and the Carve-Out) under sections 363 or 364 of the Bankruptcy Code or otherwise.

(e) For the avoidance of doubt, this Final Order, the DIP Documents, and the Prepetition Loan Documents (i) do not grant security interests in property owned by parties other than the Debtors and (ii) grant security interests in property only to the extent of the Debtors' interest in property.

9. *Remedies After Event of Default.* The automatic stay under section 362 of the Bankruptcy Code is vacated and modified to the extent necessary to permit the DIP Agent and the DIP Lenders to exercise, (i) immediately upon the occurrence and during the continuance of an Event of Default, all rights and remedies under the DIP Documents, other than those rights and remedies against the DIP Collateral as provided in clause (ii) below, and (ii) upon the occurrence and during the continuance of an Event of Default, and the giving of ten (10) days' prior written notice to the Debtors, with a copy to counsel for the Debtors, counsel to the Committee, counsel to the Prepetition Secured Notice Parties and to the U.S. Trustee, all rights and remedies against the DIP Collateral provided for in the DIP Documents and this Final Order. In any hearing regarding any exercise of the DIP Lenders' rights or remedies, the only issue that may be raised by any party in opposition thereto shall be whether, in fact, an Event of Default has occurred and is continuing. The DIP Agent's or any DIP Lender's delay or failure to exercise rights and remedies under the DIP Documents or this Final Order shall not constitute a waiver of the DIP Agent's or the DIP Lenders' rights hereunder, thereunder or otherwise, unless any such waiver is pursuant to a written instrument executed in accordance with the terms of the applicable DIP Documents.

10. *Limitation on Charging Expenses Against Collateral*. Except to the extent of the Carve-Out with respect to the DIP Collateral and the Prepetition Collateral, no expenses of administration of the Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Collateral or the Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law or in equity, without the prior written consent of the DIP Agent and the Prepetition Agent, and no such consent shall be implied from any other action or inaction by the DIP Agent, the DIP Lenders, or the Prepetition Secured Parties.

11. *Payments Free and Clear*. After application of payments or proceeds to Prepetition Secured Party Liens or Permitted Prepetition Liens to the extent provided in paragraph 8(b) of this Final Order, any and all payments or proceeds remitted to the DIP Agent on behalf of the DIP Lenders or the Prepetition Agent on behalf of the Prepetition Secured Parties pursuant to the provisions of this Final Order or any subsequent order of this Court shall be received free and clear of any claim, charge, assessment or other liability.

12. *Use of Prepetition Collateral (including Cash Collateral).* The Debtors are hereby authorized to use the Prepetition Collateral, including the Cash Collateral, during the period from the Petition Date through and including the Termination Date under the DIP Agreement for, among other things, working capital and general corporate purposes in accordance with the terms and conditions of this Final Order and the DIP Documents and subject to the Events of Default set forth herein and in the DIP Documents; provided that the Prepetition Secured Parties are granted adequate protection as hereinafter set forth.

13. *Adequate Protection*. The Prepetition Secured Parties are entitled, pursuant to sections 105, 361, 363 and 364 of the Bankruptcy Code, to adequate protection of their interests in the Prepetition Collateral, including Cash Collateral, in an amount equal to the aggregate diminution in value of the Prepetition Secured Parties' security interests in the Prepetition Collateral, including without limitation, any such diminution resulting from the sale, lease or use by the Debtors (or other decline in value) of any Prepetition Collateral, including the Cash Collateral, and the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (such diminution in value, the "Adequate Protection Obligations"). As adequate protection, the Prepetition Secured Parties are hereby granted the following (the "Adequate Protection"):

(a) *Adequate Protection Liens*.

(i) As security for the payment of the Adequate Protection Obligations with respect to the PMCA, the PMCA Agent (for itself and for the benefit of the PMCA Lenders) is hereby granted (effective and perfected upon the date of this Final Order and without the necessity of the execution by the Debtors of security agreements, pledge agreements, mortgages, financing statements or other agreements) a valid, perfected replacement security interest in and lien on the PMCA Collateral (the "PMCA Adequate Protection Lien"), subject and subordinate only to (A) the Permitted Prepetition Liens, (B) Prepetition Secured Party Liens, (C) the DIP Liens, and (D) the Carve-Out, and senior to all other liens (including, without limitation, the TSN Liens).

(ii) As security for the payment of the Adequate Protection Obligations with respect to the 15% Notes, the 15% Notes Trustee/Agent (for itself and for the benefit of the 15% Noteholders) is hereby granted (effective and perfected upon the date of this

Final Order and without the necessity of the execution by the Debtors of security agreements, pledge agreements, mortgages, financing statements or other agreements): (A) a valid, perfected replacement security interest in and lien on all assets constituting the 15% Notes Collateral, and (B) a non-avoidable, valid, enforceable and perfected security interest in and lien on all of the DIP Collateral not included in (A) above, including such like kind property acquired by the estates or the Debtors after the commencement of the Cases; provided, however, for the avoidance of doubt, the DIP Collateral shall not include Avoidance Actions or the proceeds thereof (collectively, (A) and (B), the "15% Notes Adequate Protection Liens" and together with the PMCA Adequate Protection Lien, the "Adequate Protection Liens"), each of which shall be subject and subordinate only to (W) the Permitted Prepetition Liens, (X) Prepetition Secured Party Liens, (Y) the DIP Liens, and (Z) the Carve-Out, and senior to all other liens (including, without limitation, the TSN Liens).

(b) *Section 507(b) Claims*. The Adequate Protection Obligations shall constitute superpriority claims as provided in section 507(b) of the Bankruptcy Code (the "507(b) Claims"), with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including without limitation, sections 326, 328, 330, 331, 503(b), 506(c), 507(a), 1113 and 1114 of the Bankruptcy Code, subject and subordinate only to (i) the Carve-Out and (ii) the Superpriority Claims granted in respect of the DIP Obligations. Except to the extent expressly set forth in this Final Order, the Prepetition Secured Parties shall not receive or retain any payments, property or other amounts in respect of the 507(b) Claims unless and until all DIP Obligations shall have indefeasibly been paid in full in cash and the Commitments have been terminated and shall have no recourse to Avoidance Actions and the proceeds thereof.

(c) *Fees and Expenses*. The Prepetition Agent shall receive from the Debtors reimbursement of all reasonable, actual and documented fees and expenses incurred or accrued by the Prepetition Agent under and pursuant to the Prepetition Loan Documents, including, without limitation, the reasonable, actual and documented fees and disbursements of counsel to the Prepetition Agent, whether incurred or accrued prior to or after the Petition Date. None of the fees and expenses payable pursuant to this paragraph 13(c) shall be subject to separate approval by this Court (but this Court shall resolve any dispute as to the reasonableness of any such fees and expenses), and all fees and expenses payable under this Final Order shall be finally allowed ten (10) business days after copies of invoices for such fees have been provided to the Debtors, the Committee, the 15% Ad Hoc Group Professionals, and the U.S. Trustee provided that no objection is raised in writing, and no recipient of any such payment shall be required to file any interim or final fee application with respect thereto. Subject to any *bona fide* dispute as to the reasonableness of such fees and expenses, the Debtors shall pay the reasonable, actual and documented fees and expenses provided for in this paragraph 13(c) promptly (but no later than ten (10) business days) after invoices for such fees and expenses shall have been submitted to the Debtors. The Debtors shall promptly provide copies of such invoices to the Committee and the U.S. Trustee.

(d) *Information*. The Debtors shall promptly provide to the Prepetition Agent, the Committee, the 15% Ad Hoc Group Professionals, any written notices, financial information or periodic reporting, including any budgets and variance reports, that is provided to, or required to be provided to, the DIP Agent or the DIP Lenders (or their advisors) and shall continue to provide to the Prepetition Agent, the Prepetition Secured Parties, the 15% Ad Hoc Group Professionals and the Committee all financial and other reporting as provided to the Prepetition

Secured Parties prepetition in accordance with the Prepetition Loan Documents. The Debtors shall also give the Prepetition Agent reasonable access during normal business hours to the Debtors' books and records, and the Debtors shall respond to reasonable inquiries from the Prepetition Agent and the 15% Ad Hoc Group Professionals related to the Debtors' books and records and operations.

(e) In the event that this Court determines, in a final, non-appealable order, that the value of the Prepetition Secured Obligations exceeds the value of the Prepetition Collateral (i.e., the Prepetition Secured Obligations are undersecured), the Committee shall retain the right to seek: (a) to recharacterize payments of interest and professional fees paid on account of the Prepetition Obligations, and (b) disgorgement of any such interest, fees and expenses paid by the Debtors in these Cases.

14. *Reservation of Rights of Prepetition Secured Parties*. Under the circumstances and given that the Adequate Protection is consistent with the Bankruptcy Code, this Court finds that the adequate protection provided herein is reasonable and sufficient to protect the interests of the Prepetition Secured Parties. Notwithstanding any other provision hereof, the grant of adequate protection to the Prepetition Agent and the Prepetition Secured Parties pursuant hereto is without prejudice to the right of the Prepetition Agent or the Prepetition Secured Parties to seek modification of the grant of adequate protection provided hereby so as to provide different or additional adequate protection; provided, however, that any such additional or modified adequate protection shall at all times be subordinate and junior to the claims and liens of the DIP Agent and the DIP Lenders granted under this Final Order and the DIP Documents. Except as expressly provided herein, nothing contained in this Final Order (including without limitation, the authorization to use any Cash Collateral) shall impair or

modify any rights, claims or defenses available in law or equity to the Prepetition Agent or any other Prepetition Secured Party, including without limitation the rights of the Prepetition Agent as a secured party under the Bankruptcy Code or the Prepetition Loan Documents.

15. *Perfection of DIP Liens and Adequate Protection Liens.*

(a) The DIP Agent and the Prepetition Agent are hereby authorized, but not required, to file or record financing statements, intellectual property filings, mortgages, notices of lien or similar instruments in any jurisdiction, take possession of or control over, or take any other action in order to validate and perfect the liens and security interests granted to them hereunder. Whether or not the DIP Agent on behalf of the DIP Lenders, or the Prepetition Agent on behalf of the respective Prepetition Secured Parties shall, in their respective sole discretion, choose to file such financing statements, intellectual property filings, mortgages, notices of lien or similar instruments, take possession of or control over, or otherwise confirm perfection of the liens and security interests granted to them hereunder, such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge, dispute or subordination as of the date of entry of this Final Order.

(b) A certified copy of this Final Order may, in the discretion of the DIP Agent or the Prepetition Agent, as the case may be, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Final Order for filing and recording.

(c) The Debtors shall execute and deliver to the DIP Agent and the Prepetition Agent, as the case may be, all such agreements, financing statements, instruments and other documents as the DIP Agent and the Prepetition Agent may reasonably request to evidence,

confirm, validate or perfect the DIP Liens and the Adequate Protection Liens. All such documents will be deemed to have been recorded and filed as of the Petition Date.

(d) In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized to do and perform all acts to make, execute and deliver all instruments and documents and to pay all fees that may be reasonably required or necessary for the Debtors' performance hereunder.

16. *Preservation of Rights Granted Under the Final Order.*

(a) No claim or lien having a priority senior to or *pari passu* with those granted by this Final Order to the DIP Agent, the DIP Lenders, the Prepetition Agent and other the Prepetition Secured Parties shall be granted or allowed while any portion of the DIP Obligations, the Commitments, the Adequate Protection Obligations or the 507(b) Claims remain outstanding, and the DIP Liens and the Adequate Protection Liens shall not be subject or junior to any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code or subordinated to or made *pari passu* with any other lien or security interest (other than the Permitted Prepetition Liens, the Prepetition Secured Party Liens, and the Carve-Out).

(b) It shall constitute an Event of Default under the DIP Agreement and a termination of the right to use Cash Collateral (i) if any of the Debtors seeks, or if there is entered, any modification of this Final Order without the prior written consent of the DIP Agent and the Prepetition Agent, and no such consent shall be implied by any other action, inaction or acquiescence by the DIP Agent or the Prepetition Agent, provided, however, that if an alternative proposal for postpetition financing is presented to the Debtors then the Debtors may consider the proposal and the Debtors' right to use Cash Collateral shall not terminate solely because the

Debtors have been presented with an alternative proposal for postpetition financing, (ii) if any Debtor seeks, or if there is entered, an order converting or dismissing any of the Cases, or (iii) an order is entered appointing a trustee or examiner with expanded powers with respect to any of the Debtors. For the avoidance of doubt, nothing herein shall affect the right of any party other than the Debtors to file a motion authorizing the Debtors to use Cash Collateral on a non-consensual basis.

(c) Except as expressly provided in this Final Order or in the DIP Documents, the DIP Liens, the Superpriority Claims, the Adequate Protection Obligations, the Adequate Protection Liens, the 507(b) Claims and all other rights and remedies of the DIP Agent, the DIP Lenders, the Prepetition Agent and the Prepetition Secured Parties granted by this Final Order and the DIP Documents shall survive, and shall not be modified, impaired or discharged by (i) the entry of an order converting any of the Cases to a case under chapter 7 of the Bankruptcy Code, dismissing any of the Cases or by any other act or omission, or (ii) the entry of an order confirming a plan of reorganization in any of the Cases. The terms and provisions of this Final Order and the DIP Documents shall continue in the Cases, in any successor cases if the Cases cease to be jointly administered, or in any superseding chapter 7 cases under the Bankruptcy Code, and the DIP Liens, the Adequate Protection Liens, the Adequate Protection Obligations, the DIP Obligations, the Superpriority Claims, the Section 507(b) Claims, any other administrative expense claims granted pursuant to this Final Order, and all other rights and remedies of the DIP Agent, the DIP Lenders, the Prepetition Agent and the Prepetition Secured Parties granted by this Final Order and the DIP Documents shall continue in full force and effect until all DIP Obligations and all Adequate Protection Obligations are indefeasibly paid in full in cash.

17. *Effect of Stipulations on Third Parties.* The stipulations and admissions contained in this Final Order, including without limitation, in paragraph 4 of this Final Order: (a) shall be binding upon the Debtors for all purposes; and (b) shall be binding upon all other parties in interest, including without limitation, the Committee, unless (i) the Committee, which shall be deemed to have requisite standing, or any other party-in-interest with requisite standing (which shall, to the extent they remain a party in interest in the chapter 11 cases, include Harbinger Capital LLC or certain of its affiliates and Sprint Nextel Corporation or certain of its affiliates), in each case, without further order of the Court, has duly filed an adversary proceeding (subject to the limitations contained herein, including, without limitation, in paragraph 17) by no later than (A) the date that is the later of 75 days from the date of an order approving counsel for the Committee, or 75 days from the date of entry of this Final Order, subject to extension by the Court, after notice and a hearing, for cause shown, and (B) any such later date agreed to in writing by the Prepetition Agent in its sole and absolute discretion (X) challenging the validity, enforceability, priority or extent of the Prepetition Obligations or the liens on the Prepetition Collateral securing such Prepetition Obligations or (Y) otherwise asserting or prosecuting any claims or causes of action arising under sections 542-553 of the Bankruptcy Code or any other claims, counterclaims or causes of action, objections, contests or defenses (collectively, the "Claims and Defenses") against the Prepetition Agent or any of the other Prepetition Secured Parties or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors in connection with any matter related to the Prepetition Obligations or the Prepetition Collateral, and (ii) an order is entered by a court of competent jurisdiction and becomes final and non-appealable in favor of the plaintiff sustaining any such challenge or claim in any such duly filed adversary proceeding; provided that, as to the

Debtors, all such Claims and Defenses are hereby irrevocably waived and relinquished as of the Petition Date. If no such adversary proceeding is duly and timely filed in respect of the Prepetition Obligations, (x) the Prepetition Obligations shall constitute allowed claims, not subject to counterclaim, setoff, subordination, recharacterization, defense or avoidance, for all purposes in the Cases and any subsequent chapter 7 case, (y) the liens on the Prepetition Collateral securing the Prepetition Obligations, as the case may be, shall be deemed to have been, as of the Petition Date, and to be, legal, valid, binding, perfected and of the priority specified in paragraph 4(b), not subject to defense, counterclaim, recharacterization, subordination or avoidance and (z) the Prepetition Obligations, the Prepetition Agent and the Prepetition Secured Parties, in each case solely in their capacity as such, as the case may be, and the liens on the Prepetition Collateral granted to secure the Prepetition Obligations shall not be subject to any other or further challenge by the Committee or any other party-in-interest, and such Committee or party-in-interest shall be enjoined from seeking to exercise the rights of the Debtors' estates, including without limitation, any successor thereto (including, without limitation, any estate representative or a chapter 7 or 11 trustee appointed or elected for any of the Debtors). If any such adversary proceeding is duly filed, the stipulations and admissions contained in paragraph 4 of this Final Order shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph) on the Committee and any other party-in-interest, except as to any such stipulations and admissions that were expressly and successfully challenged in such adversary proceeding as set forth in a final, non-appealable order of a court of competent jurisdiction. Nothing in this Final Order vests or confers on any Person (as defined in the Bankruptcy Code) (other than the Committee as provided above), standing or authority to pursue any cause of action belonging to the Debtors or their estates, including without limitation,

Claims and Defenses with respect to the Prepetition Loan Documents or the Prepetition Obligations or any liens granted by any Debtor to secure any of the foregoing, provided, however, this Final Order does recognize the rights of Harbinger Capital LLC or certain of its affiliates and Sprint Nextel Corporation or certain of its affiliates to the extent set forth above.

18. *Limitation on Use of DIP Financing and DIP Collateral*. The Debtors shall use the DIP Financing and the Prepetition Collateral (including the Cash Collateral) solely as provided in this Final Order and the DIP Documents. Notwithstanding anything herein, no Loans under the DIP Agreement, DIP Collateral, Prepetition Collateral (including the Cash Collateral) or the Carve-Out may be used to (a) object, contest or raise any defense to, the validity, perfection, priority, extent or enforceability of any amount due under the DIP Documents, the Prepetition Loan Documents or the liens or claims granted under this Final Order, the DIP Documents or the Prepetition Loan Documents, (b) assert any Claims and Defenses or any other causes of action against the DIP Agent, the DIP Lenders, the Prepetition Agent, the other Prepetition Secured Parties or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors, in each case, solely in their capacity as Prepetition Secured Parties, (c) prevent, hinder or otherwise delay the DIP Agent's or the Prepetition Agent's assertion, enforcement or realization on the Prepetition Collateral or the DIP Collateral in accordance with the DIP Documents, the Prepetition Loan Documents or this Final Order, (d) seek to modify any of the rights granted to the DIP Agent, the DIP Lenders, the Prepetition Agent or the other Prepetition Secured Parties hereunder or under the DIP Documents or the Prepetition Loan Documents, in the case of each of the foregoing clauses (a) through (d), without such applicable party's prior written consent or (e) pay any amount on account of any claims arising prior to the Petition Date unless such payments are (i) approved by

an order of this Court and (ii) permitted under the DIP Documents; provided that, notwithstanding anything to the contrary herein, no more than an aggregate of $250,000 of the Prepetition Collateral (including the Cash Collateral), Loans under the DIP Agreement, the DIP Collateral or the Carve-Out may be used by the Committee to investigate the validity, enforceability or priority of the Prepetition Obligations or the liens on the Prepetition Collateral securing the Prepetition Obligations, or investigate any Claims and Defenses or other causes action against the Prepetition Agent or the Prepetition Secured Parties.

19. *Exculpation* Nothing in this Final Order, the DIP Documents, or any other documents related to these transactions shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Agent, any DIP Lender, or any Prepetition Secured Party any liability for any claims arising from the prepetition or postpetition activities of the Debtors in the operation of their business, or in connection with their restructuring efforts. So long as the DIP Agent, the DIP Lenders and the Prepetition Secured Parties comply with their obligations under the DIP Documents and the Prepetition Loan Documents (as applicable) and their obligations, if any, under applicable law (including the Bankruptcy Code), (a) the DIP Agent, DIP Lenders and the Prepetition Secured Parties shall not, in any way or manner, be liable or responsible for (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, servicer, bailee, custodian, forwarding agency or other person, and (b) all risk of loss, damage or destruction of the Collateral shall be borne by the Debtors; provided, however, neither the DIP Agent, DIP Lenders or the Prepetition Secured Parties shall be absolved of any fraud, gross negligence or willful misconduct in connection with any of the foregoing.

20. *Final Order Governs*. In the event of any inconsistency between the provisions of this Final Order, the Interim Order and the DIP Documents, the provisions of this Final Order shall govern.

21. *Master Proofs of Claim*.

(a) To facilitate the processing of claims, to ease the burden upon this Court and to reduce any unnecessary expense to the Debtors' estates, (i) the PMCA Agent is authorized (but not required) to file a single master proof of claim (a "Master Proof of Claim") on behalf of itself and the PMCA Lenders on account of their claims arising under the PMCA and hereunder against all Debtors in the Borrower's case only; and (ii) the 15% Notes Agent/Trustee is authorized (but not required) to file a Master Proof of Claim on behalf of itself and the 15% Noteholders on account of their claims arising under the 15% Notes Indenture and hereunder against all Debtors in the Borrower's case only.

(b) Upon filing of a Master Proof of Claim by the PMCA Agent and/or the 15% Notes Agent/Trustee (as applicable), the PMCA Agent and/or the 15% Notes Agent/Trustee (as applicable) and each PMCA Lender and/or 15% Noteholder (as applicable) and each of their respective successors and assigns, shall be deemed to have filed a proof of claim in their pro rata share of the amount set forth in the Master Proof of Claim as if each such entity had filed a separate proof of claim.

(c) The provisions set forth in paragraphs (a) and (b) above are intended solely for the purpose of administrative convenience and, except to the extent set forth herein or therein, neither the provisions of this paragraph nor the Master Proof of Claim shall affect the substantive rights of the Debtors, the Committee, the Prepetition Agent, the other Prepetition Secured Parties or any other party in interest or their respective successors in interest, including

without limitation, the right of each Prepetition Secured Party (or its successor in interest) to vote separately on any plan of reorganization proposed in the Cases.

22. *Binding Effect; Successors and Assigns.* The DIP Documents and the provisions of this Final Order, including all findings herein, shall be binding upon all parties-in-interest in the Cases, including without limitation, the DIP Agent, the DIP Lenders, the Prepetition Agent, the Prepetition Secured Parties, the Committee, and the Debtors and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for any of the Debtors, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors) and shall inure to the benefit of the DIP Agent, the DIP Lenders, the Prepetition Secured Parties and the Debtors and their respective successors and assigns; provided that, except to the extent expressly set forth in this Final Order, the DIP Agent, the Prepetition Agent, the DIP Lenders and the Prepetition Secured Parties shall have no obligation to permit the use of Cash Collateral or extend any financing to any chapter 7 trustee or similar responsible person appointed for the estates of the Debtors.

23. *Effectiveness.* This Final Order shall constitute findings of fact and conclusions of law and shall take effect immediately upon execution hereof as of the Petition Date, and there shall be no stay of execution of effectiveness of this Final Order.

Dated: ***November 18, 2010***
New York, New York

/s/ Sean H. Lane
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

Debtor-In-Possession Credit, Security & Guaranty Agreement
(with exhibits and schedules)

EXHIBIT B

First Amendment to
Debtor-In-Possession Credit, Security & Guaranty Agreement

EXECUTION COPY

5892885.35

$75,000,000

DEBTOR-IN-POSSESSION CREDIT, SECURITY & GUARANTY AGREEMENT

Dated as of October 21, 2010

_____

Among

MOTIENT HOLDINGS INC.
MOTIENT COMMUNICATIONS INC.
MOTIENT LICENSE INC.
MOTIENT SERVICES INC.
TERRESTAR NEW YORK INC.
MVH HOLDINGS INC.
MOTIENT VENTURES HOLDING INC.
TERRESTAR NATIONAL SERVICES, INC.
TERRESTAR LICENSE INC.,
each a debtor and debtor-in-possession, as a Guarantor,

TERRESTAR NETWORKS HOLDINGS (CANADA) INC.,
TERRESTAR NETWORKS (CANADA) INC.,
0887729 B.C. LTD.,
each a debtor and debtor-in-possession, as a Canadian Guarantor,

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

THE LENDERS PARTY HERETO,

and

THE BANK OF NEW YORK MELLON,
as Administrative Agent and Collateral Agent

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ARTICLE X
SECURITY AND GUARANTEE

Exhibits and Schedules

DEBTOR-IN-POSSESSION CREDIT, SECURITY & GUARANTY AGREEMENT dated as of October 21, 2010 (as amended, supplemented or otherwise modified from time to time, this "Agreement"), among:

(i) TERRESTAR NETWORKS INC., a Delaware corporation (the "Borrower"),

(ii) MOTIENT HOLDINGS INC., a Delaware corporation, MOTIENT COMMUNICATIONS INC., a Delaware corporation, MOTIENT LICENSE INC., a Delaware corporation, MOTIENT SERVICES INC., a Delaware corporation, TERRESTAR NEW YORK INC., a New York corporation, MVH HOLDINGS INC., a Delaware corporation, and MOTIENT VENTURES HOLDING INC., a Delaware corporation (collectively the "Non-Subsidiary Guarantors"); TERRESTAR NATIONAL SERVICES, INC., a Delaware corporation, and TERRESTAR LICENSE INC., a Delaware corporation (together the "Domestic Subsidiary Guarantors");

(iii) TERRESTAR NETWORKS HOLDINGS (CANADA) INC., an Ontario corporation, TERRESTAR NETWORKS (CANADA) INC., an Ontario corporation ("TerreStar Canada"), and 0887729 B.C. LTD., a British Columbia corporation (collectively the "Canadian Guarantors" and together with the Non-Subsidiary Guarantors, the Domestic Subsidiary Guarantors and such other guarantors from time to time party hereto, the "Guarantors"),

(iv) the Lenders from time to time party hereto; and

(v) THE BANK OF NEW YORK MELLON, as administrative agent and collateral agent (in such capacities, the "Administrative Agent").

The Borrower and the Guarantors are sometimes referred to herein collectively as the "Loan Parties."

W I T N E S S E T H:

WHEREAS, on October 19, 2010 (the "Petition Date") the Borrower and each of the other Loan Parties filed, with the Bankruptcy Court, a voluntary petition for relief (the "US Cases") under Chapter 11 of the Bankruptcy Code;

WHEREAS, on October 21, 2010 the Borrower, as foreign representative for the Loan Parties, commenced a recognition proceeding before the Ontario Superior Court of Justice (Commercial List) (the "Canadian Court") pursuant to Part IV of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "Canadian Cases" and together with the US Cases, the "Cases") to recognize the US Cases as "foreign main proceedings";

WHEREAS, the Borrower and each of the other Loan Parties are continuing to operate their respective businesses and manage their respective properties as debtors-in-possession under Sections 1107(a) and 1108 of the Bankruptcy Code;

WHEREAS, the Borrower has requested that the Lenders provide a secured debtor-in-possession multiple draw term loan facility to the Borrower in an aggregate principal amount of $75,000,000;

WHEREAS, the Guarantors have agreed to guarantee the obligations of the Borrower hereunder and each of the Loan Parties has agreed to secure its obligations to the Lenders hereunder with, *inter alia*, security interests in, and liens on, all of its property and assets, whether real or personal, tangible or intangible, now existing or hereafter acquired or arising, and subject to certain exceptions, all as more fully provided herein; and

WHEREAS, the Lenders are willing, on the terms and conditions hereinafter set forth, to make available to the Borrower such debtor-in-possession loans.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Defined Terms. As used in this Agreement, the following terms shall have the meanings specified below:

"Acceptable Plan" shall mean a Plan in form and substance reasonably acceptable to the Required Lenders (it being understood that a Plan the terms of which are consistent in all respects with (and include all the terms of) the Restructuring Term Sheet and is otherwise reasonably acceptable to the Required Lenders shall be deemed acceptable to the Required Lenders).

"Account" shall have the meaning assigned to such term in the UCC.

"Act" shall have the meaning assigned to such term in Section 9.18.

"Administrative Agent" shall have the meaning assigned to such term in the introductory paragraph of this Agreement.

"Administrative Agent-Related Persons" shall have the meaning assigned to such term in Section 8.03.

"Administrative Agent Fees" shall have the meaning assigned to such term in Section 2.07(d).

"Administrative Questionnaire" shall mean an Administrative Questionnaire in the form of Exhibit B.

"Affiliate" shall mean, when used with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the person specified; provided, however, no Agent Party or Lender shall be deemed to be an Affiliate of any Loan Party by virtue of its execution of this Agreement, provided further that (a) the Initial Lender shall not be deemed to be an Affiliate of

the Borrower or of any Loan Party and (b) DISH Network Corporation and its direct and indirect subsidiaries shall not be deemed to be an Affiliate of the Borrower or of any Loan Party.

"Agent Parties" shall have the meaning assigned to such term in Section 9.16(c).

"Agreed Budget" shall mean the budget provided to the Lenders by the Borrower, pursuant to Section 4.01(d), which budget has been approved by the Required Lenders, subject to modification pursuant to Section 5.11(a).

"Agreement" shall have the meaning assigned to such term in the introductory paragraph of this Agreement.

"Anti-Terrorism Laws" shall have the meaning assigned to such term in Section 3.19(a).

"Assignee" shall have the meaning assigned to such term in Section 9.04(b).

"Assignment and Acceptance" shall mean an assignment and acceptance entered into by a Lender and an assignee, and accepted by the Administrative Agent and the Borrower (if required by such assignment and acceptance), in the form of Exhibit A.

"Availability Period" shall mean the period from and including the Initial Funding Date to but excluding the Termination Date.

"Available Cash" shall mean, for any month, the aggregate amount of unrestricted cash and cash equivalents of the Loan Parties as of the end of the last day of the immediately preceding month.

"Bankruptcy Code" shall mean Title 11 of the United States Code, as amended, or any similar federal or state law for the relief of debtors.

"Bankruptcy Court" shall mean the United States Bankruptcy Court for the Southern District of New York.

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States of America.

"Borrower" shall have the meaning assigned to such term in the introductory paragraph of this Agreement.

"Borrowing" shall mean a group of Loans made on a single date.

"Business Day" shall mean any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed.

"Canadian Anti-Money Laundering & Anti-Terrorism Legislation" shall mean the Criminal Code, R.S.C. 1985, c. C-46, The Proceeds of Crime (Money Laundering) and Terrorist Financing Act, S.C. 2000, c. 17 and the United Nations Act, R.S.C. 1985, c. U-2 or any similar

Canadian legislation, together with all rules, regulations and interpretations thereunder or related thereto including, without limitation, the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism and the United Nations Al-Qaida and Taliban Regulations promulgated under the United Nations Act.

"Canadian Cases" shall have the meaning assigned to such term in the introductory paragraphs of this Agreement.

"Canadian Court" shall have the meaning assigned to such term in the introductory paragraphs of this Agreement.

"Canadian Guarantors" shall have the meaning assigned to such term in the introductory paragraphs of this Agreement.

"Canadian Pension Event" shall mean (a) the termination in whole or in part of any Canadian Pension Plan or Canadian Union Plan, (b) the merger of a Canadian Pension Plan with another pension plan, (c) a material change in the funded status of a Canadian Pension Plan, (d) the occurrence of an event under the Income Tax Act (Canada) that could reasonably be expected to affect the registered status of any Canadian Pension Plan or Canadian Union Plan, (e) the receipt by any Loan Party of any order or notice of intention to issue an order from the applicable pension standards regulator that could reasonably be expected to affect the registered status or cause the termination (in whole or in part) of any Canadian Pension Plan, (f) the receipt of notice by the administrator or the funding agent of any failure to remit contributions to a Canadian Pension Plan or a similar notice from a governmental authority relating to a failure to pay any fees or other amounts (including payments in respect of the pension benefits guarantee fund of Ontario), (g) the receipt by a Loan Party of any notice concerning liability arising from the withdrawal or partial withdrawal of a Loan Party or any other party from a Canadian Union Plan, (h) the adoption of any amendment to a Canadian Pension Plan that requires the provision of security pursuant to applicable law, (i) the failure to satisfy any statutory funding requirement in respect of any Canadian Pension Plan, or (j) any other extraordinary event or condition with respect to a Canadian Pension Plan or Canadian Union Plan that could reasonably be expected to result in a Lien or any acceleration of any statutory requirements to fund all or a substantial portion of the unfunded accrued benefit liabilities of such plan.

"Canadian Pension Plans" shall mean a pension plan that is a "registered pension plan" as defined in the Income Tax Act (Canada) or is subject to the funding requirements of applicable pension benefits standards legislation in any Canadian jurisdiction (in each case, whether or not registered) and is applicable to employees resident in Canada of a Loan Party, other than any Canadian Union Plans.

"Canadian Union Plans" shall mean all pension and other benefit plans for the benefit of Canadian employees or former Canadian employees of a Loan Party which are not maintained, sponsored or administered by a Loan Party, but to which a Loan Party is or was required to contribute pursuant to a collective agreement or participation agreement.

"Capital Lease Obligations" of any person shall mean the obligations of such person to pay rent or other amounts under any lease of (or other arrangement conveying the right

to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such person under GAAP and, for purposes hereof, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP (without giving effect to any change to GAAP after the date hereof regarding the accounting treatment of capitalized versus operating leases).

"Carve-Out" shall have the meaning assigned to such term in the DIP Order.

"Cases" shall have the meaning assigned to such term in the recitals to this Agreement.

"Cash Collateral Order" shall have the meaning assigned to such term in Section 4.01(h).

"Cash Management Order" shall mean the Bankruptcy Court order, in form and substance acceptable to the Required Lenders, relating to the cash management system, bank accounts, and business forms of the Loan Parties.

"Change in Control" shall mean the acquisition by any person or group (within the meaning of Sections 13(d) and 14(d) under the Exchange Act) of beneficial ownership (as defined in Rules 13d-3 and 13d-5 of the Exchange Act), directly or indirectly, of any Equity Interests in (a) the Borrower, other than by MVH or (b) any of the Motient Loan Parties. Notwithstanding the foregoing, (a) the acquisition by any person or group (within the meaning of Sections 13(d) and 14(d) under the Exchange Act) of beneficial ownership (as defined in Rules 13d-3 and 13d-5 of the Exchange Act) of less than 35% (or 35% or more to the extent acquired by the Initial Lender and its Affiliates) of the Equity Interests of TerreStar Corporation shall not constitute a Change of Control, (b) the Equity Interests owned by SkyTerra in the Borrower on the Petition Date shall not constitute a Change in Control, provided, however, that any acquisition of additional Equity Interests by SkyTerra after the Petition Date shall constitute a Change in Control and (c) subject to any orders that may be entered by the Bankruptcy Court restricting transfers of Equity Interests, SkyTerra may transfer all or any portion of its Equity Interests held as of the Petition Date in the Borrower to any person, which such transfer shall not constitute a Change in Control.

"Change in Law" shall mean (a) the adoption of any law, rule or regulation after the Closing Date, (b) any change in law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the Closing Date, or (c) compliance by any Lender (or, for purposes of Section 2.09(b), by any Lending Office of such Lender or by such Lender's holding company, if any) with any written request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the Closing Date.

"Charges" shall have the meaning assigned to such term in Section 9.09.

"Closing Date" shall mean the later of: (i) the date upon which the Bankruptcy Court enters the Interim DIP Order and (ii) the date on which the Interim DIP Order is recognized by the Canadian Court.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Collateral" shall have the meaning assigned to such term in Section 10.01(a).

"Commitment" shall mean, with respect to each Lender, the commitment of such Lender to make Loans as set forth in Section 2.01. The initial amount of each Lender's Commitment is set forth on Schedule 2.01, or in the Assignment and Acceptance pursuant to which such Lender shall have assumed its Commitment, as applicable. The aggregate amount of the Commitments on the Closing Date is $75,000,000.

"Commitment Fee" shall have the meaning assigned to such term in Section 2.07(c).

"Commitment Fee PIK Date" shall have the meaning assigned to such term in Section 2.07(c).

"Communications" shall have the meaning assigned to such term in Section 9.16(a).

"Communications Laws" shall mean the Telecommunications Act of 1996, as amended and the rules and regulations promulgated thereunder.

"Control" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract or otherwise, and "Controlling" and "Controlled" shall have meanings correlative thereto.

"Copyright Collateral" means all Copyrights, including all Copyright Licenses.

"Copyrights" means all domestic and foreign copyrights and works of authorship, whether registered or not, anywhere in the world, whether now or hereafter owned, developed, acquired or used by the Obligors, including, without limitation, all applications, registrations and recordings thereof (including, without limitation, applications, registrations and recordings in the United States Copyright Office or in any similar office of any other country or any political subdivision thereof), software, programs and databases (including, without limitation, source code, object code and all related applications and data files, firmware and documentation and materials relating thereto, and any substitutions, replacements, improvements, error corrections, updates and new versions of any of the foregoing, but excluding, "shrink-wrap" computer software, programs and databases), writings and internet site content.

"Copyright Licenses" means any agreement providing for the grant to or from any Obligor of any right under any Copyright, including, without limitation, the grant of rights to manufacture, distribute, sell or otherwise exploit materials derived from any Copyright.

"Crown" means the power and authority of the British monarch, as exercised by the federal or provincial governments in Canada and their representatives.

"Currency Due" shall have the meaning assigned to such term in Section 9.05(d).

"Default" shall mean any event or condition that upon notice, lapse of time or both would constitute an Event of Default.

"DIP Order" shall mean (a) prior to the entry of the Final DIP Order, the Interim DIP Order and (b) at all times after the entry of the Final DIP Order, the Final DIP Order.

"DIP Orders" shall mean collectively, the Interim DIP Order and Final DIP Order.

"Dollars" or "$" shall mean lawful money of the United States of America.

"Domestic Subsidiary Guarantors" shall have the meaning assigned to such term in the introductory paragraph of this Agreement.

"Environment" shall mean ambient and indoor air, surface water and groundwater (including potable water, navigable water and wetlands), the land surface or subsurface strata, natural resources such as flora and fauna, the workplace or as otherwise defined in any Environmental Law.

"Environmental Laws" shall mean all applicable laws (including common law), rules, regulations, codes, ordinances, orders, decrees or judgments, promulgated or entered into by any Governmental Authority, relating in any way to the Environment, preservation or reclamation of natural resources, the generation, management, Release or threatened Release of, or exposure to, any Hazardous Material or to occupational health and safety matters (to the extent relating to the Environment or Hazardous Materials).

"Equity Interests" of any person shall mean any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of or interests in (however designated) equity of such person, including any preferred stock, any limited or general partnership interest and any limited liability company membership interest.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time, and the regulations promulgated and rulings issued thereunder.

"ERISA Affiliate" shall mean any trade or business (whether or not incorporated) that, together with any Loan Party or any subsidiary thereof, is treated as a single employer under Section 414(b) or (c) of the Code, or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"ERISA Event" shall mean (a) any Reportable Event, (b) the existence with respect to any ERISA Plan of an "accumulated funding deficiency" (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived, (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any ERISA Plan, the failure to make by its due date a required installment under Section 412(m) of the Code with respect to any ERISA Plan or the failure to make any required contribution to a Multiemployer Plan, (d) the incurrence by any Loan Party,

any subsidiary of any Loan Party or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any ERISA Plan, (e) the receipt by any Loan Party, any subsidiary of any Loan Party or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any ERISA Plan or to appoint a trustee to administer any ERISA Plan under Section 4042 of ERISA, (f) the incurrence by any Loan Party, any subsidiary of any Loan Party or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any ERISA Plan or Multiemployer Plan, or (g) the receipt by any Loan Party, any subsidiary of any Loan Party or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Loan Party, any subsidiary of any Loan Party or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"ERISA Plan" shall mean any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code and in respect of which any Loan Party, any subsidiary of any Loan Party or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Event of Default" shall have the meaning assigned to such term in Section 7.01.

"Exchange Act" means the Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder.

"Exchange Rate" shall mean the prevailing spot rate of exchange of Reference Bank (or if such rate is not available from Reference Bank, such other bank as Administrative Agent may reasonably select) for the purpose of conversion of one currency to another, at or around 11:00 a.m., Local Time, on the date on which any such conversion of currency is to be made under this Agreement.

"Excluded Indebtedness" shall mean all Indebtedness permitted to be incurred under Section 6.01.

"Excluded Taxes" shall mean, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income taxes imposed on (or measured by) its net income (or franchise taxes imposed in lieu of net income taxes) by the United States of America (or any state thereof) or the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located or any other jurisdiction as a result of such recipient engaging in a trade or business in such jurisdiction for tax purposes, (b) any branch profits tax or any similar tax that is imposed by any jurisdiction described in clause (a) above, and (c) in the case of a Lender making a Loan to the Borrower, any withholding tax imposed by the United States that (x) is in effect and would apply to amounts payable hereunder to such Lender at the time such Lender becomes a party to such Loan to the Borrower (or designates a new Lending Office) except to the extent that such Lender (or its assignor, if any) was entitled, immediately prior to the time of designation of a new Lending Office (or assignment), to receive additional amounts from a Loan Party with

respect to any withholding tax pursuant to Section 2.10(a) or (c), or (y) is attributable to such Lender's failure to comply with Section 2.10(f) or (g) with respect to such Loan.

"Executive Order" shall have the meaning assigned to such term in Section 3.19(a).

"Facility" shall mean the Loans made hereunder by the Lenders.

"FCC" shall mean the Federal Communications Commission, or any successor entity.

"FCC License" means any license, authorization, approval, or permit granted by the FCC pursuant to the Communications Act of 1934, as amended, modified or supplemented from time to time, to the Borrower or any other Obligor or assigned or transferred to the Borrower or any other Obligor pursuant to any FCC consent, in each case for or in connection with the construction and/or operation of any satellite system.

"FCC License Rights" means any right, title or interest in, to or under any FCC License, whether directly or indirectly held, including, without limitation, any rights owned, granted, approved or issued directly or indirectly by the FCC or held, leased, licensed or otherwise acquired from or through any party.

"Fee Letter" shall mean that certain Fee Schedule Agreement dated as of October 7, 2010 by and between Borrower and the Administrative Agent.

"Fees" shall mean the Upfront Fee, the Commitment Fee, the Funding Fee and the Administrative Agent Fees.

"444 Entity" shall mean each of 4491165 Canada Inc., a Canada corporation, TerreStar Solutions Holdings Inc. (formerly known as 4491181 Canada Inc.), a Canada corporation, and TerreStar Solutions Inc. (formerly known as 4491190 Canada Inc.), a Canada corporation.

"444 Permitted Payments" shall mean the $70,000 per month payment made by TerreStar Networks (Canada) Inc. to compensate TerreStar Solutions Inc. for expenses paid on behalf of TerreStar Canada, including pro rata salaries of employees, payments to consultants, office space rentals, utilities and office spaces from and after the Petition Date permitted to be paid in accordance with the Agreed Budget.

"15% Notes" shall mean the 15% Senior Secured PIK Notes issued pursuant to the Indenture, dated as of February 14, 2007, among TerreStar Networks Inc, as Issuer (the "Issuer") and U.S. Bank National Association, as Trustee (the "Trustee"), together with the notes issued pursuant to the First Supplemental Indenture, dated as of February 7, 2008, by and among the Issuer, the Trustee and the guarantors party thereto; and the notes issued pursuant to the Second Supplemental Indenture, dated as of February 7, 2008, by and among the Issuer, the Trustee, and the guarantors party thereto.

"15% Notes Adequate Protection" shall have the meaning assigned to such term in Section 4.01(h).

"Final DIP Order" shall mean a final order of the Bankruptcy Court containing substantially the same provisions as the Interim DIP Order and substantially in the form attached hereto as Exhibit D and otherwise in form and substance reasonably acceptable to the Required Lenders and as to which no stay has been entered and which has not been reversed, modified, vacated or overturned.

"Final Recognition Order" shall mean an order or orders of the Canadian Court in the form or forms attached hereto as Exhibit F and otherwise in form and substance reasonably acceptable to the Required Lenders.

"Financial Officer" of any person shall mean the Chief Financial Officer, principal accounting officer, Treasurer, Assistant Treasurer or Controller of such person.

"Financial Performance Covenants" shall mean the covenants of the Borrower set forth in Sections 6.10, 6.11, 6.12 and 6.13.

"Foreign Information Officer" means that certain Information Officer appointed by the Canadian Court in respect of the Canadian Cases.

"Foreign Lender" shall mean any Lender that is organized under the laws of a jurisdiction other than the United States of America. For purposes of this definition, the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Funding Fee" shall have the meaning assigned to such term in Section 2.07(b).

"GAAP" shall mean generally accepted accounting principles in effect from time to time in the United States, applied on a consistent basis, subject to the provisions of Section 1.02.

"Governmental Authority" shall mean any federal, state, provincial, local or foreign court or governmental agency, authority, instrumentality or regulatory or legislative body.

"Guarantee" of or by any person (the "guarantor") shall mean (a) any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation (whether arising by virtue of partnership arrangements, by agreement to keep well, to purchase assets, goods, securities or services, to take-or-pay or otherwise) or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (iii) to maintain working capital, equity capital or any other financial statement

condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, (iv) entered into for the purpose of assuring in any other manner the holders of such Indebtedness or other obligation of the payment thereof or to protect such holders against loss in respect thereof (in whole or in part) or (v) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or other obligation, or (b) any Lien on any assets of the guarantor securing any Indebtedness (or any existing right, contingent or otherwise, of the holder of Indebtedness to be secured by such a Lien) of any other person, whether or not such Indebtedness or other obligation is assumed by the guarantor; provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit, in either case in the ordinary course of business, or customary.

"guarantor" shall have the meaning assigned to such term in the definition of the term "Guarantee."

"Guarantors" shall have the meaning assigned to such term in the introductory paragraph of this Agreement.

"Hazardous Materials" shall mean all pollutants, contaminants, wastes, chemicals, materials, substances and constituents of any nature which are subject to regulation or which would reasonably be likely to give rise to liability under any Environmental Law, including, without limitation, explosive or radioactive substances or petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls or radon gas.

"Income Tax Act (Canada)" shall mean shall mean the Income Tax Act (Canada), as amended.

"Indebtedness" of any person shall mean, without duplication, (a) all obligations of such person for borrowed money, (b) all obligations of such person evidenced by bonds, debentures, notes or similar instruments to the extent the same would appear as a liability on a balance sheet prepared in accordance with GAAP, (c) all obligations of such person under conditional sale or other title retention agreements relating to property or assets purchased by such person, (d) all obligations of such person issued or assumed as the deferred purchase price of property or services (other than current trade liabilities and current intercompany liabilities (but not any refinancings, extensions, renewals or replacements thereof) incurred in the ordinary course of business and maturing within 90 days after the incurrence thereof and that are not overdue by over 90 days (except prepetition trade liabilities and intercompany liabilities the enforcement thereof which is stayed by the virtue of the filing of the Cases)), to the extent that the same would be required to be shown as a long-term liability on a balance sheet prepared in accordance with GAAP, (e) all Guarantees by such person of Indebtedness of others, (f) all Capital Lease Obligations of such person, (g) the principal component of all obligations, contingent or otherwise, of such person as an account party in respect of letters of credit and (h) the principal component of all obligations of such person in respect of bankers' acceptances. The Indebtedness of any person shall include the Indebtedness of any partnership in which such person is a general partner, other than to the extent that the instrument or agreement evidencing such Indebtedness expressly limits the liability of such person in respect thereof.

"Indemnified Taxes" shall mean all Taxes other than Excluded Taxes.

"Indemnitee" shall have the meaning assigned to such term in Section 9.05(b).

"Industry Canada" shall mean the Canadian federal Department of Industry or any successor or any department or agency administering the *Radiocommunication Act (Canada)*, among other statutes, including its staff acting under delegated authority and including the Minister of Industry.

"Industry Canada License Rights" means any right, title or interest in, to or under any Industry Canada License, whether directly or indirectly held, including, without limitation, any rights owned, granted, approved or issued directly or indirectly by Industry Canada or held, leased, licensed or otherwise acquired from or through any party.

"Industry Canada License" means any license, authorization, approval, or permit granted by Industry Canada pursuant to the Radiocommunication Act (Canada), as amended, modified or supplemented from time to time, to TerreStar Canada or assigned or transferred to TerreStar Canada pursuant to any Industry Canada consent, in each case for or in connection with the operation of the TerreStar-1 satellite or TerreStar-2 satellite in a Canadian orbital position and to use associated service, feeder link and telemetry, telecommand and control radio spectrum.

"Information" shall have the meaning assigned to such term in Section 3.14(a).

"Initial Funding Date" shall mean the first Business Day upon which the conditions set forth in Section 4.01 are satisfied or waived by the Initial Lender, which shall in no event be more than four (4) Business Days following the Closing Date.

"Initial Lender" shall mean EchoStar Corporation, a Nevada corporation.

"Initial Lender's Canadian Counsel" shall mean Goodmans LLP.

"Initial Lender's Counsel" shall mean, collectively, Willkie Farr & Gallagher LLP and Sullivan & Cromwell LLP.

"Initial Recognition Order" shall mean an order or orders of the Canadian Court in the form or forms attached hereto as Exhibit E and otherwise in form and substance reasonably acceptable to the Required Lenders.

"Interest Payment Date" shall mean the last day of each calendar month, commencing on October 31, 2010, the Termination Date, and, thereafter, on demand.

"Interim DIP Order" shall mean an interim order of the Bankruptcy Court entered in the Cases pursuant to Section 364 of the Bankruptcy Code, approving this Agreement and the other Loan Documents and authorizing the incurrence by the Loan Parties of post-petition secured and super-priority debtor-in-possession Indebtedness in accordance with this Agreement, and as to which no stay has been entered and which has not been reversed, modified, vacated or overturned, and which is substantially in the form attached hereto as Exhibit C and otherwise in form and substance reasonably acceptable to the Required Lenders.

"Investment" shall have the meaning assigned to such term in Section 6.03.

"Investment Property" shall have the meaning assigned to such term: (i) in the UCC or (ii) in the PPSA, as applicable at the time of determination.

"IP Collateral" means, collectively, (a) all Copyright Collateral, (b) all Patent Collateral, (c) all Trademark Collateral, (d) all confidential and proprietary information, including, without limitation, know-how, trade secrets, manufacturing and production processes and techniques, inventions, research and development information, databases and data, (e) all other intellectual property or similar proprietary rights, (f) all tangible embodiments of any of the foregoing and all rights corresponding thereto throughout the world, and (g) any and all claims for damages and injunctive relief for past, present and future infringement, dilution, misappropriation, violation, misuse or breach with respect to any of the foregoing, with the right, but not the obligation, to sue for and collect, or otherwise recover, such damages.

"Judgment Currency" shall have the meaning assigned to such term in Section 9.05(d).

"Lender" shall mean the financial institution listed on Schedule 2.01, as well as any person that becomes a "Lender" hereunder pursuant to Section 9.04, in such capacity.

"Lender Group Expenses" shall have the meaning assigned to such term in Section 9.05(a).

"Lending Office" shall mean, as to any Lender, the applicable branch, office or Affiliate of such Lender designated by such Lender to make Loans.

"Lien" shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, hypothecation, pledge, encumbrance, charge or security interest in or on such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset and (c) in the case of securities (other than securities representing an interest in a joint venture that is not a Subsidiary), any purchase option, call or similar right of a third party with respect to such securities to the extent that any such right is intended to have an effect equivalent to that of a security interest in such securities.

"Loan Documents" shall mean this Agreement, the DIP Orders, any Note issued under Section 2.04(e), any security agreements, mortgages and other instruments and documents executed and delivered pursuant to any of the foregoing, and the Fee Letter.

"Loan Parties" shall mean the Borrower and the Guarantors.

"Loans" shall mean the term loans made by each Lender to the Borrower pursuant to Section 2.01.

"Local Time" shall mean New York City time.

"Margin Stock" shall have the meaning assigned to such term in Regulation U.

"Material Adverse Change" shall mean any event, circumstance or condition which has or would reasonably be expected to have a Material Adverse Effect.

"Material Adverse Effect" shall mean a material adverse effect on (a) the business, assets, operations, financial condition or operating results of the Loan Parties, taken as a whole, other than those customarily caused by the filing of a chapter 11 case under the Bankruptcy Code, (b) the Collateral, taken as a whole, other than those customarily caused by the filing of a chapter 11 case under the Bankruptcy Code, (c) the validity and enforceability of any of the Loan Documents or (d) the rights and remedies of the Administrative Agent or the Lenders under the Loan Documents.

"Material Contract" shall mean all contracts which are material to the conduct and operations of the business of the Loan Parties, taken as a whole, including, but not limited to, all those contracts set forth on Schedule 5.06.

"Maximum Rate" shall have the meaning assigned to such term in Section 9.09.

"Milestone Date" shall mean the dates so provided in the meaning of the term "Milestone Requirement".

"Milestone Requirement" shall mean the requirement that the Loan Parties shall meet the following deadlines: (a) filing an Acceptable Plan by November 5, 2010, (b) filing, jointly with any person required by the FCC or Industry Canada, (i) all necessary applications for approval of the transfers of control over all the FCC Licenses, and the transfer of control over, transfer or assignment of all the Industry Canada Licenses within the terms and conditions thereof, and related authorizations held by any Loan Party that are contemplated by any Acceptable Plan and (ii) all required notifications to the FCC and Industry Canada, in each case by December 14, 2010, (c) receiving Bankruptcy Court approval of a disclosure statement by December 14, 2010, (d) commencement of a hearing by the Bankruptcy Court on confirmation of an Acceptable Plan by January 31, 2011, (e) entry of a final, non-appealable order by the Bankruptcy Court confirming such Acceptable Plan by February 14, 2011, (f) within 7 days after request of the Administrative Agent (acting at the written request of the Required Lenders), with respect to any order of the Bankruptcy Court, a corresponding recognition order, in form and substance reasonably acceptable to the Required Lenders shall have been entered in the Canadian Court, which order shall have become final and non-appealable within twenty-one (21) days after entry of such order by the Canadian Court, and (g) the Final DIP Order and Final Recognition Order shall have become final and non-appealable within 60 and 63 days of the date of the entry of the Interim DIP Order and Initial Recognition Order, respectively.

"Monthly Performance Report" shall mean a report in the same form as the Agreed Budget and accompanying projections which shall contain entries detailing the actual performance during the period for which such report is being delivered, the variance from the Agreed Budget and accompanying projections for such period, if any, and an explanation of the reason for any such variance.

"Moody's" shall mean Moody's Investors Service, Inc. and any successor thereto.

"Motient Loan Parties" shall mean, collectively, Motient Holdings Inc., Motient Communications Inc., Motient Services Inc. and Motient License Inc.

"MSS Spectrum" shall have the meaning assigned to such term in Section 5.05.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which any Loan Party, any subsidiary of any Loan Party or any ERISA Affiliate (other than one considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Code Section 414) is making or accruing an obligation to make contributions, or has within any of the preceding six plan years made or accrued an obligation to make contributions.

"MVH" shall mean Motient Ventures Holding Inc., a Delaware corporation and a Non-Subsidiary Guarantor.

"Net Proceeds" shall mean:

(a) 100% of the cash proceeds actually received by any Loan Party or any subsidiary of any Loan Party (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment receivable or otherwise and including casualty insurance settlements and condemnation awards, but only as and when received) from any loss, damage, destruction or condemnation of, or any sale, transfer or other disposition (including any sale and leaseback of assets and any mortgage or lease of real property) to any person of, any asset or assets of a Loan Party or any subsidiary of a Loan Party (other than those pursuant to Section 6.04(a), (b), (c), (d), (e) or (f)), net of (i) attorneys' fees, accountants' fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, any amount required by the Bankruptcy Court to be paid or prepaid on Indebtedness (other than the Obligations) secured by a perfected and unavoidable Lien on the applicable assets, other customary expenses and brokerage, consultant and other customary fees actually incurred in connection therewith, and (ii) Taxes paid or payable as a result thereof, provided, however, that evidence of (i) and (ii) are provided to the Administrative Agent in form and substance satisfactory to the Required Lenders; and

(b) 100% of the cash proceeds from the incurrence, issuance or sale by the Borrower or any Subsidiary of any Indebtedness (other than Excluded Indebtedness), net of all taxes and fees (including investment banking fees), commissions, costs and other expenses, in each case incurred in connection with such incurrence, issuance or sale.

For purposes of calculating the amount of Net Proceeds, fees, commissions and other costs and expenses payable to any Loan Party or any Affiliate of a Loan Party shall be disregarded.

"Non-Subsidiary Guarantors" shall have the meaning assigned to such term in the introductory paragraph of this Agreement.

"Note" shall have the meaning assigned to such term in Section 2.04(e).

"Notice of Borrowing" shall have the meaning assigned to such term in Section 2.03(a).

"Obligations" shall mean (a) the due and punctual payment by the Borrower of (i) the unpaid principal of and interest (including paid in kind interest and all interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding) on the Loans made to the Borrower, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise and (ii) all other monetary obligations of the Borrower to any of the Secured Parties under this Agreement and each of the other Loan Documents, including obligations to pay fees, expense and reimbursement obligations and indemnification obligations, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), (b) the due and punctual performance of all other obligations of the Borrower under or pursuant to this Agreement and each of the other Loan Documents, and (c) the due and punctual payment and performance of all the obligations of each other Loan Party under or pursuant to this Agreement and each of the other Loan Documents.

"Obligor" shall mean either the Borrower or any Guarantor, and "Obligors" means the Borrower and the Guarantors.

"OFAC" shall have the meaning assigned to such term in Section 3.19(b).

"Other Taxes" shall mean any and all present or future stamp, registration, recording, filing, transfer or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, the Loan Documents, and any and all interest and penalties related thereto.

"Participant" shall have the meaning assigned to such term in Section 9.04(c).

"Patent Collateral" means all Patents, whether now owned or hereafter acquired by any Obligor, including all Patent Licenses.

"Patent License" means any agreement providing for the grant to or from any Obligor of any right to manufacture, use, sell or otherwise exploit any invention covered in whole or in part by a Patent.

"Patents" means all patents, patent applications, and inventions claimed or disclosed therein and all improvements thereto, all registrations and applications for registration for any of the foregoing, together with all reissues, divisions, continuations, continuations-in-part, extensions and reexaminations thereof.

"PBGC" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

"Permitted Investments" shall mean:

(a) direct obligations of the United States of America, Canada or any agency thereof or obligations guaranteed by the United States of America or any agency thereof, in each case with maturities not exceeding one year from the date of acquisition thereof;

(b) time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company that is organized under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America having capital, surplus and undivided profits in excess of $250,000,000 and whose long-term debt, or whose parent holding company's long-term debt, is rated A (or such similar equivalent rating or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act);

(c) repurchase obligations with a term of not more than 180 days for underlying securities of the types described in clause (a) above entered into with a bank meeting the qualifications described in clause (b) above;

(d) commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate of the Borrower) organized and in existence under the laws of the United States of America or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of P-1 (or higher) according to Moody's, or A-1 (or higher) according to S&P;

(e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any State, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least A by S&P or A by Moody's;

(f) shares of mutual funds whose investment guidelines restrict 95% of such funds' investments to those satisfying the provisions of clauses (a) through (d) above;

(g) money market funds that (i) comply with the criteria set forth in Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA by S&P and Aaa by Moody's and (iii) have portfolio assets of at least $5,000,000,000; and

(h) time deposit accounts, certificates of deposit and money market deposits in an aggregate face amount not in excess of 1/2 of 1% of the total assets of the Borrower and its Subsidiaries, on a consolidated basis, as of the end of the Borrower's most recently completed fiscal year.

"Person" or "person" shall mean any natural person, corporation, business trust, joint venture, association, company, partnership, limited liability company or government, individual or family trusts, or any agency or political subdivision thereof.

"Petition Date" shall have the meaning assigned to such term in the recitals to this Agreement.

"Plan" shall mean a plan of reorganization of the Borrower and the Guarantors.

"Plan Support Agreement" shall mean that certain Plan Support Agreement, dated as of October 19, 2010, among the Borrower, the Non-Subsidiary Guarantors, the Domestic Subsidiary Guarantors, TerreStar Corporation and the holders of claims against the Borrower signatory thereto.

"Platform" shall have the meaning assigned to such term in Section 9.16(b).

"Pledged Equity" means any Investment Property constituting Collateral.

"PMCA" shall mean the Purchase Money Credit Agreement, dated as of February 5, 2008, among the Borrower, the guarantors party thereto, U.S. Bank National Association, as Collateral Agent, Harbinger Capital Partners Master Fund 1, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and EchoStar Corporation, each as a lender, and the other lenders party thereto, as amended, restated, supplemented or otherwise modified prior to the commencement of the Cases.

"PMCA Adequate Protection" shall have the meaning assigned to such term in Section 4.01(h).

"PPSA" shall mean the *Personal Property Security Act* (Ontario) and any other applicable Canadian or provincial personal property security or similar legislation, together with all rules, regulations and interpretations thereunder or related thereto.

"Prepetition Obligations" shall mean, collectively, the obligations of the applicable Loan Parties or their Affiliates under the 15% Notes or the PMCA.

"primary obligor" shall have the meaning given such term in the definition of the term "Guarantee."

"Prior Liens" shall mean (a) the non-avoidable, valid, enforceable and perfected liens securing the valid and enforceable obligations in respect of the 15% Notes and (b) the non-avoidable, valid, enforceable and perfected liens securing the valid and enforceable obligations under the PMCA.

"Projections" shall mean any projections and any forward-looking statements of the Loan Parties and their subsidiaries furnished to the Lenders or the Administrative Agent by or on behalf of the Borrower or any Subsidiary prior to the Closing Date.

"Reference Bank" shall mean The Bank of New York Mellon, or such other bank as Administrative Agent (acting at the direction of the Required Lenders) may from time to time designate.

"Register" shall have the meaning assigned to such term in Section 9.04(b).

"Regulation U" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation X" shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Related Parties" shall mean, with respect to any specified person, such person's Affiliates and the respective directors, trustees, officers, employees, agents and advisors of such person and such person's Affiliates.

"Release" shall mean any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, emanating or migrating in, into, onto or through the Environment.

"Reportable Event" shall mean any reportable event as defined in Section 4043(c) of ERISA or the regulations issued thereunder, other than those events as to which the 30-day notice period referred to in Section 4043(c) of ERISA has been waived, with respect to an ERISA Plan (other than an ERISA Plan maintained by an ERISA Affiliate that is considered an ERISA Affiliate only pursuant to subsection (m) or (o) of Section 414 of the Code).

"Required Lenders" shall mean, at any time, Lenders having Loans and Commitments outstanding, that, taken together, represent more than 50% of the sum of all Loans outstanding.

"Requirement of Law" shall mean, for any Person, the organizational documents of such Person and any law or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"Responsible Officer" of any person shall mean any executive officer or Financial Officer of such person and any other officer or similar official thereof responsible for the administration of the obligations of such person in respect of this Agreement.

"Restructuring Term Sheet" shall mean that certain term sheet attached to the Plan Support Agreement as Exhibit A thereto.

"S&P" shall mean Standard & Poor's Ratings Group, Inc. or any successor thereto.

"Sale/Leaseback Transaction" shall mean any lease, whether an operating lease or a capital lease, whereby any Loan Party or any of its subsidiaries, directly or indirectly, becomes or remains liable as lessee or as guarantor or other surety, of any property whether now owned or hereafter acquired, (a) that any Loan Party or any of its subsidiaries, as the case may be, has sold or transferred or is to sell or transfer to any other Person (other than another Loan Party), or (b) that is acquired by any other Person, as part of a financing transaction to which any Loan Party or any of its subsidiaries is a party, in contemplation of leasing such property to any Loan Party or any of its subsidiaries, as the case may be.

"SEC" shall mean the Securities and Exchange Commission or any successor thereto.

"Secured Parties" shall mean (a) the Lenders (and any Affiliate of a Lender), (b) the Administrative Agent, (c) the beneficiaries of each indemnification obligation undertaken by any Loan Party under any Loan Document, and (d) the successors and permitted assigns of each of the foregoing.

"Securities Act" shall mean the Securities Act of 1933, as amended and the rules and regulations promulgated thereunder.

"SkyTerra" shall mean SkyTerra Communications, Inc.

"Stated Maturity Date" shall mean the 270th day after the Petition Date; provided that if the Stated Maturity Date shall not be a Business Day, the Stated Maturity Date shall be the Business Day immediately preceding.

"Statutory Committee of Unsecured Creditors" shall mean the official statutory committee of unsecured creditors appointed in the Cases pursuant to Section 1102 of the Bankruptcy Code.

"Subsequent Funding Date" shall mean first, on the later of (a) December 5, 2010 and (b) the earliest date that is (i) at least fifteen (15) days after the date of entry of the Final DIP Order and (ii) the date on which no stay pending appeal has been granted with respect to the Final DIP Order; second, on the later of (a) January 7, 2010 and (b) the earliest date that is (i) at least twenty-one (21) days after entry of the Final Recognition Order and (ii) the date on which no stay pending appeal has been granted with respect to the Final Recognition Order (the "Third Advance"); and (c) on the fifth Business Day of each month beginning on the month immediately following the month in which the Third Advance is made.

"subsidiary" shall mean, with respect to any person (herein referred to as the "parent"), any corporation, partnership, association or other business entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or more than 50% of the general partnership interests are, at the time any determination is being made, directly or indirectly, owned, Controlled or held, or (b) that is, at the time any determination is made, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

"Subsidiary" shall mean any direct or indirect subsidiary of the Borrower.

"Taxes" shall mean any and all present or future taxes, levies, imposts, duties (including stamp duties), deductions, charges (including ad valorem charges) or withholdings imposed by any Governmental Authority and any and all interest and penalties related thereto.

"Tax Related Person" shall mean a Person (including a beneficial owner of an interest in a pass through entity) whose income is realized through or determined by reference to Administrative Agent, a Participant, or any Tax Related Person of any of the foregoing.

"Termination Date" shall mean the earliest to occur of (a) the Stated Maturity Date, (b) the effective date of a Plan, (c) the closing date of a sale pursuant to Section 363 of the Bankruptcy Code of all or substantially all of the Loan Parties' assets, (d) the date that is thirty-

five (35) days after the date of entry of the Interim DIP Order if the Bankruptcy Court shall not have entered the Final DIP Order on or before such date and (e) the acceleration of the Loans upon the occurrence of an Event of Default.

"TerreStar Canada" shall have the meaning assigned to such term in the introductory paragraphs of this Agreement.

"Third Advance" shall have the meaning assigned to such term in the definition of Subsequent Funding Date.

"Trademark Collateral" means all Trademarks, whether now owned or hereafter acquired by any Obligor, including, in each case, with the goodwill of the business connected with the use of, and symbolized by, each such trade name, trademark and service mark and all Trademark Licenses, excluding any United States "intent to use" applications unless and until a "Statement of Use" or "Amendment to Allege Use" has been filed with and accepted by the United States Patent and Trademark Office.

"Trademark License" means any agreement providing for the grant to or from any Obligor of any right to use any Trademark.

"Trademarks" means all domestic and foreign trade names, trademarks and service marks, logos, domain names, trade dress, designs, slogans, business names, corporate names and other source identifiers, whether registered or unregistered, all registrations and applications for registration for any of the foregoing, together with all modifications, extensions and renewals thereof.

"UCC" shall mean the Uniform Commercial Code (or any successor statute) of the State of New York or of any other state the laws of which are required by Section 9-301 thereof to be applied in connection with the issue of perfection of security interests.

"Upfront Fee" shall have the meaning assigned to such term in Section 2.07(a).

"US Cases" shall have the meaning assigned to such term in the introductory paragraphs of this Agreement.

"Wholly Owned Subsidiary" of any person shall mean a subsidiary of such person, all of the Equity Interests of which (other than directors' qualifying shares or nominee or other similar shares required pursuant to applicable law) are owned by such person or another Wholly Owned Subsidiary of such person.

"Withdrawal Liability" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such term is defined in Part I of Subtitle E of Title IV of ERISA.

Section 1.02. Terms Generally. The definitions set forth or referred to in Section 1.01 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed

by the phrase "without limitation." All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, any reference in this Agreement to any Loan Document shall mean such document as amended, restated, supplemented or otherwise modified from time to time. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any provision to the contrary contained in this Agreement, including without limitation the use of the term "per annum", all interest hereunder shall be computed on the basis of a year of 360 days, and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Dollars or $ means United States Dollars.

ARTICLE II

THE CREDITS

Section 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender severally agrees to make Loans to the Borrower as follows: (i) an initial Borrowing on the Initial Funding Date, in the aggregate principal amount of $18,000,000 and (ii) if the Termination Date shall not have previously occurred, additional Borrowings on each Subsequent Funding Date in respect of which a Notice of Borrowing has been delivered up to an amount equal to (a) the sum of, without duplication: (x) the projected aggregate cash expenses and disbursements for the current month as set forth in the Agreed Budget, (y) any such expenses and disbursements that were projected in the Agreed Budget, but not expended, in the immediate preceding month and (z) $2,000,000, minus (b) the sum of, without duplication: (x) the projected aggregate cash revenue and receipts for the current month and (y) the Available Cash; and, provided, further, that the Loans shall not exceed, for any Lender, in aggregate principal amount, the amount which equals the Commitment of such Lender. Proceeds of the Loans shall be used solely for the purposes set forth in Section 3.12. Once repaid, in whole or in part, at maturity or by prepayment, Loans made hereunder may not be reborrowed in whole or in part.

Section 2.02. Loans and Borrowings.

(a) Each Loan shall be made as part of a single Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement and such Lender shall not be entitled to any amounts payable under Section 2.09 solely in respect of increased costs resulting from such exercise and existing at the time of such exercise.

Section 2.03. Funding of Borrowings.

(a) Each Borrowing shall be made on notice given by the Borrower not later than 11:00 a.m. (Local Time) one (1) Business Day prior to the Initial Funding Date, in the case of the initial Borrowing, and five (5) Business Days prior to the date of the proposed Borrowing, in the case of any Borrowings after the Initial Funding Date. Each such notice shall be substantially in the form of Exhibit G (a "Notice of Borrowing"), specifying (A) the date of such proposed Borrowing (which must be a Subsequent Funding Date during the Availability Period), (B) the amount of the Borrowing and (C) the remaining aggregate Commitments (after giving effect to the proposed Borrowing).

(b) The Administrative Agent shall give each Lender prompt notice of the Administrative Agent's receipt of a Notice of Borrowing. Each Lender shall make the Loans to be made by it hereunder on the date of any proposed Borrowing by wire transfer of immediately available funds by 1:00 p.m. (Local Time), to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly wiring the amounts received, in like funds, to an account of the Borrower previously provided to the Administrative Agent.

Section 2.04. Repayment of Loans; Evidence of Debt.

(a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the ratable account of the Lenders in cash the aggregate outstanding principal amount of the Loans and all accrued but unpaid interest and Fees thereon on the Termination Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from the Loans made by such Lender, including the amounts of principal and interest payable, Fees and interest paid in-kind and capitalized pursuant to this Agreement or paid in cash to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) any amount received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain

such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note (a "Note"). In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in the form attached hereto as Exhibit I. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

Section 2.05. Prepayment of Loans.

(a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, without premium or penalty, in an aggregate principal amount of $5,000,000 or any whole multiple of $1,000,000 in excess thereof or if less, the aggregate amount of Loans then outstanding, subject to prior notice in accordance with paragraph (c) of this Section.

(b) The Borrower shall apply all Net Proceeds promptly upon receipt thereof to prepay Borrowings in accordance with paragraph (c) of this Section; provided that no prior notice shall be required for prepayments made pursuant to this paragraph (b). Prepayments in accordance with this Section 2.05(b) shall result in a permanent reduction of the Loans and no corresponding increase in the unused Commitments.

(c) Prior to any prepayment of any Borrowing hereunder, the Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy) of such prepayment not later than 2:00 p.m. (Local Time), three (3) Business Days before the scheduled date of such prepayment. Each prepayment shall be applied ratably to the Loans and shall be accompanied by accrued interest and Fees on the amount repaid.

Section 2.06. Voluntary Termination or Reduction of Commitments.

(a) The Borrower may, upon written notice to the Administrative Agent, terminate the unused Commitments, or from time to time permanently reduce the unused Commitments; provided, that (i) any such notice shall be received by the Administrative Agent five (5) Business Days prior to the date of termination or reduction, and (ii) any such partial reduction shall be in an aggregate amount (A) of $5,000,000 or any whole multiple of $1,000,000 in excess thereof or (B) equal to the entire remaining amount of the Commitment.

(b) The Administrative Agent will promptly notify the Lenders of any termination or reduction of the unused Commitments under this Section 2.06. Upon any reduction of unused Commitments, the Commitment of each Lender shall be reduced pro rata. All Commitment Fees accrued from the last Commitment Fee PIK Date on that portion of the Commitment that is being reduced until the effective date of any termination shall be paid to the Lenders in cash on the effective date of such termination.

Section 2.07. Fees.

(a) The Borrower shall pay to each Lender an upfront fee (an "Upfront Fee") in an amount equal to 3.00% of the aggregate amount of such Lender's Commitments, which Upfront Fee shall be fully earned and payable on the Closing Date and shall be paid in kind and on the Closing Date shall be capitalized and added to the principal amount of the Loan outstanding.

(b) The Borrower shall pay to each Lender a funding fee (the "Funding Fee") in an amount equal to 2.00% of the principal amount of each Loan made by such Lender hereunder, which fee shall be fully earned and payable on the date such Loan is made to the Borrower and shall be offset by each such Lender against its funding of such Loan.

(c) The Borrower shall pay to each Lender a commitment fee (the "Commitment Fee") equal to 1.00% per annum times the daily amount of the unused Commitment of such Lender. The Commitment Fee shall accrue at all times from the Closing Date until the Termination Date, including all times during which one or more of the applicable conditions to borrowing hereunder is not met, and shall be due and payable on each Interest Payment Date (the "Commitment Fee PIK Date"), commencing with the first such date to occur after the Closing Date, and on the Termination Date. The Commitment Fee shall be paid in-kind on each Commitment Fee PIK Date and on each such date, the accrued Commitment Fee shall be capitalized and added to the principal amount of the Loans outstanding. The Commitment Fee shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(d) The Borrower shall pay to the Administrative Agent, for the account of the Administrative Agent, the agency fee and expenses set forth in the Fee Letter, as amended, restated, supplemented or otherwise modified from time to time, at the times specified therein (the "Administrative Agent Fees").

(e) No Fees, whether payable in-kind or in cash, shall be refundable under any circumstances.

Section 2.08. Interest.

(a) The Loans shall bear interest at a rate per annum equal to 15.00%.

(b) Notwithstanding the foregoing, if a Default occurs and is continuing, all outstanding Obligations then due and owing (including, if applicable, any overdue amount) shall bear interest during the continuance of such Default, after as well as before judgment, at a rate per annum equal to 2.00% plus the rate otherwise applicable to such Obligation; provided that this paragraph (b) shall not apply to any Default that has been waived by the Lenders pursuant to Section 9.08.

(c) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and on the Termination Date. On each Interest Payment Date, all accrued interest shall be capitalized and added to the principal amount of the Loans then

outstanding, except all interest payable under Section 9.08(b) and all interest payable on or after the Termination Date shall be paid in cash.

(d) All interest hereunder shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(e) For the purposes of this Agreement, whenever interest is calculated on the basis of a period which is less than the actual number of days in a calendar year, each rate of interest determined pursuant to such calculation is, for the purposes of the Interest Act (Canada), equivalent to such rate multiplied by the actual number of days in the calendar year in which such rate is to be ascertained and divided by the number of days used as the basis of such calculation.

(f) The Loan Parties acknowledge and agree that all calculations of interest under this Agreement are to be made on the basis of the nominal interest rate described herein and not on the basis of effective yearly rates or on any other basis which gives effect to the principle of deemed reinvestment of interest. The Loan Parties acknowledge that there is a material difference between the stated nominal interest rates and the effective yearly rates of interest and that they are capable of making the calculations required to determine such effective yearly rates of interest.

(g) In no event shall "interest" (as such term is defined in Section 347 of the Criminal Code of Canada) on the "credit advanced" (as defined therein) hereunder be payable by any Loan Party in excess of sixty percent (60%) per annum and if any Loan Party does pay an amount of interest in excess of sixty percent (60%) in any particular year, the amount of such excess shall be repaid by the Lenders (through the Administrative Agent) to such party.

Section 2.09. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender; or

(ii) impose on any Lender or the London interbank market any other condition affecting this Agreement or the Loan made by such Lender;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan (or of maintaining its obligation to make any such Loan) or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement

or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower shall pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as applicable, as specified in paragraph (a) or (b) of this Section shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Promptly after any Lender has determined that it will make a request for increased compensation pursuant to this Section 2.09, such Lender shall notify the Borrower thereof. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided, that the Borrower shall not be required to compensate a Lender pursuant to this Section 2.09 for any increased costs or reductions incurred more than 180 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation thereof; provided, further, that if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

Section 2.10. Taxes.

(a) Unless otherwise required by applicable laws, any and all payments by or on account of any obligation of any Loan Party hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; provided that if a Loan Party shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent or any Lender, as applicable, receives an amount equal to the sum it would have received had no such deductions been made, (ii) such Loan Party shall make such deductions and (iii) such Loan Party shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) In addition, the Loan Parties shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Each Loan Party shall indemnify the Administrative Agent and each Lender, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent or such Lender, as applicable, on or with respect to any payment by or on account of any obligation of such Loan Party hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any reasonable expenses arising therefrom or with respect thereto. A

certificate as to the amount of such payment or liability, prepared in good faith and delivered to such Loan Party by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by a Loan Party to a Governmental Authority, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) If any Loan Party or any other Person is required by applicable law or Governmental Authority to make any deduction or withholding on account of any Indemnified Taxes from any sum paid or payable under any of the Loan Documents: (i) the Loan Parties shall notify the Administrative Agent of any such requirement or any change in any such requirement as soon as any of the applicable Loan Parties become aware of it; (ii) the Loan Parties shall pay any such Indemnified Taxes before the date on which penalties attach thereto, such payment to be made (if the liability to pay is imposed on any Loan Party) for its own account or (if that liability is imposed on Administrative Agent or such Lender, as the case may be) on behalf of and in the name of Administrative Agent or such Lender; (iii) the sum payable by such Loan Party in respect of which the relevant deduction, withholding, or payment is required shall be increased to the extent necessary to ensure that, after the making of that deduction, withholding, or payment of all Indemnified Taxes, Administrative Agent or such Lender, as the case may be, and each of their Tax-Related Persons receives on the due date and retains a net sum equal to what it would have received and retained had no such deduction, withholding, or payment been required or made; and (iv) within 30 days after making any such deduction or withholding, and within 30 days after the due date of payment of any Indemnified Tax or Other Tax which it is required by clause (ii) above to pay, the applicable Loan Party shall deliver to Administrative Agent evidence satisfactory to the other affected parties of such deduction, withholding, and payment and of the remittance thereof to the relevant taxing or other authority.

(f) Any Lender that is entitled to an exemption from or reduction of withholding Tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to the Borrower (with a copy to the Administrative Agent), to the extent such Lender is legally entitled to do so, at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law as may reasonably be requested by the Borrower or the Administrative Agent to permit such payments to be made without such withholding Tax or at a reduced rate; provided that no Lender shall have any obligation under this paragraph (f) with respect to any withholding Tax imposed by any jurisdiction other than the United States if in the reasonable judgment of such Lender such compliance would subject such Lender to any material unreimbursed cost or expense or would otherwise be prejudicial to such Lender in any material respect.

(g) Each Foreign Lender shall deliver to the Borrower and the Administrative Agent (in such number of copies as shall be reasonably requested by the recipient) on the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever

of the following is applicable: (i) duly completed copies of Internal Revenue Service Form W-8BEN (or any subsequent versions thereof or successors thereto), claiming eligibility for benefits of an income tax treaty to which the United States of America is a party, (ii) duly completed copies of Internal Revenue Service Form W-8ECI (or any subsequent versions thereof or successors thereto), (iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 871(h) or 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3) or 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and (y) duly completed copies of Internal Revenue Service Form W-8BEN (or any subsequent versions thereof or successors thereto) or (iv) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States federal withholding tax duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower to determine the withholding or deduction required to be made. In addition, in each of the foregoing circumstances, each Foreign Lender shall deliver such forms promptly upon the obsolescence, expiration, or invalidity of any form previously delivered by such Foreign Lender. Each Foreign Lender shall promptly notify the Borrower at any time it determines that it is no longer in a position to provide any previously delivered certificate to the Borrower (or any other form of certification adopted by the United States of America or other taxing authorities for such purpose). In addition, each Lender that is not a Foreign Lender shall deliver to the Borrower and the Administrative Agent two copies of Internal Revenue Service Form W-9 (or any subsequent versions thereof or successors thereto) on or before the date such Lender becomes a party and upon the expiration of any form previously delivered by such Lender. Notwithstanding any other provision of this paragraph, a Lender shall not be required to deliver any form pursuant to this paragraph that such Lender is not legally able to deliver.

(h) If the Administrative Agent or a Lender determines that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by a Loan Party or with respect to which such Loan Party has paid additional amounts pursuant to this Section 2.10, it shall pay over such refund to such Loan Party (but only to the extent of indemnity payments made, or additional amounts paid, by such Loan Party under this Section 2.10 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender (including any Taxes imposed with respect to such refund) as is determined by the Administrative Agent or Lender in good faith, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that such Loan Party, upon the request of the Administrative Agent or such Lender, agrees to repay as soon as reasonably practicable the amount paid over to such Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section 2.10(h) shall not be construed to require the Administrative Agent or any Lender to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to the Loan Parties or any other person. Notwithstanding anything to the contrary, in no event will the Administrative Agent or any Lender be required to pay any amount to any Loan Party the payment of which would place such Lender in a less favorable net

after-tax position than such Lender would have been in if the additional amounts giving rise to such refund of any Indemnified Taxes or Other Taxes had never been paid.

Section 2.11. Payments Generally; Pro Rata Treatment; Sharing of Set-offs.

(a) Unless otherwise specified, each Loan Party shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Section 2.09 or 2.10, or otherwise) prior to 2:00 p.m. (Local Time), on the date when due, in immediately available funds, without condition or deduction for any defense, recoupment, set-off or counterclaim. Any amounts received after such time on any date shall be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent to the applicable account designated to each Loan Party by the Administrative Agent, except that payments pursuant to Sections 2.09 or 2.10 and 9.05 shall be made directly to the persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All cash payments hereunder shall be made in Dollars. Any payment required to be made by the Administrative Agent hereunder shall be deemed to have been made by the time required if the Administrative Agent shall, at or before such time, have taken the necessary steps to make such payment in accordance with the regulations or operating procedures of the clearing or settlement system used by the Administrative Agent to make such payment.

(b) If at any time insufficient funds are received by and available to the Administrative Agent from each Loan Party to pay fully all amounts of principal, interest and fees then due from the Borrower hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due from each Loan Party hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal (including paid in kind interest previously added to the principal) then due from the Borrower hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph (c) shall not be construed to apply to any payment made by each Loan Party pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or

sale of a participation in its Loan to any assignee or participant, other than to each Loan Party or any Subsidiary or any Affiliate of the Borrower (as to which the provisions of this paragraph (c) shall apply). Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Loan Party in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Loan Party prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Loan Party will not make such payment, the Administrative Agent may assume that the Loan Party has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Loan Party has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.03(b) or 2.11(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

Section 2.12. Mitigation Obligations. If any Lender requests compensation under Section 2.09, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.10, then such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the reasonable judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.09 or 2.10, as applicable, in the future and (ii) would not subject such Lender to any material unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender in any material respect. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

Section 2.13. Illegality. If any Lender reasonably determines that any change in law has made it unlawful, or that any Governmental Authority has asserted after the Closing Date that it is unlawful, for any Lender or its applicable Lending Office to make or maintain any Loans, then, on notice thereof by such Lender to any Loan Party through the Administrative Agent, any obligations of such Lender to maintain its Loan shall be terminated. Upon receipt of such notice, the Loan Party shall, upon demand from such Lender (with a copy to the Administrative Agent), immediately prepay such Lender's Loan. Upon any such prepayment, the Loan Party shall also pay accrued interest on the amount so prepaid.

Section 2.14. Waiver of Any Priming Rights. Upon the Closing Date, and on behalf of themselves and their estates, and for so long as any Obligations shall be outstanding, the Loan Parties hereby irrevocably waive any right, pursuant to Section 364(c) or (d) of the Bankruptcy Code or otherwise, to grant any Lien on any of the Collateral having priority senior to or *pari passu* with the Liens securing the Obligations, without the prior written consent of the Lenders.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Each of the Loan Parties represents and warrants to the Administrative Agent and each of the Lenders that:

Section 3.01. Organization; Powers. Except as set forth on Schedule 3.01, each of the Loan Parties and each of their subsidiaries (a) is a limited partnership, limited liability company or corporation duly organized, validly existing and in good standing (or, if applicable in a foreign jurisdiction, enjoys the equivalent status under the laws of any jurisdiction of organization outside the United States) under the laws of the jurisdiction of its organization, (b) subject to the approval of the Bankruptcy Court and recognition thereof by the Canadian Court has all requisite power and authority to own its property and assets and to carry on its business as now conducted, (c) is qualified to do business in each jurisdiction where such qualification is required, except where the failure so to qualify could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, and (d) subject to entry of the DIP Order, has the power and authority to execute, deliver and perform its obligations under each of the Loan Documents and each other agreement or instrument contemplated thereby to which it is or will be a party and, in the case of the Borrower, to borrow hereunder.

Section 3.02. Authorization. Subject to the entry and terms of the DIP Order, the execution, delivery and performance by the Loan Parties of each of the Loan Documents to which it is a party, and the borrowings hereunder (a) have been duly authorized by all corporate, stockholder, limited partnership or limited liability company action required to be obtained by the Loan Parties and (b) will not (i) violate (A) any provision of law, statute, rule or regulation, or the certificate or articles of incorporation or other constitutive documents or by-laws of any Loan Party, (B) any applicable order of any court or any rule, regulation or order of any Governmental Authority or (C) any provision of any post-petition indenture, certificate of designation for preferred stock, agreement or other instrument to which such Loan Party or any of its subsidiaries is a party or by which any of them or any of their property is or may be bound, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, give rise to a right of or result in any cancellation or acceleration of any right or obligation (including any payment) or a loss of a material benefit under any such post-petition indenture, certificate of designation for preferred stock, agreement or other instrument, where any such post-petition conflict, violation, breach or default referred to in clause (i) or (ii) of this Section 3.02 could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, or (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by such Loan Party or any of its subsidiaries, other than the Liens created by the Loan Documents and Liens permitted by Section 6.02.

Section 3.03. Enforceability. This Agreement has been duly executed and delivered by each of the Loan Parties and constitutes, and each other Loan Document when executed and delivered by each Loan Party that is party thereto will constitute, subject to entry of the DIP Order, a legal, valid and binding obligation of such Loan Party enforceable against each such Loan Party in accordance with its terms and the DIP Order.

Section 3.04. Governmental Approvals. Subject to entry and terms of the DIP Order, no action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the transactions contemplated hereby, except for (a) the entry of the DIP Orders, (b) such as have been made or obtained and are in full force and effect, (c) such actions, consents and approvals the failure of which to be obtained or made would not reasonably be expected to have a Material Adverse Effect, and (d) filings or other actions listed on Schedule 3.04.

Section 3.05. Financial Statements; Undisclosed Liabilities.

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

(b) The unaudited consolidated balance sheet as of June 30, 2010 and related statements of income and cash flow of the Borrower, together with its consolidated subsidiaries (including the notes thereto) for the fiscal quarter ending June 30, 2010, copies of which have heretofore been furnished to the Lenders, present fairly in all material respects the consolidated financial position of the Borrower and its consolidated Subsidiaries as at such date and the consolidated results of operations and cash flows of the Borrower and its consolidated Subsidiaries for such fiscal quarter.

(c) Except as (i) disclosed on Schedule 3.05, (ii) disclosed or reflected in the financial statements referred to in clauses (a) or (b) of this Section 3.05 or (iii) incurred in the ordinary course of business consistent with past practice, and except for obligations incurred in connection with the Cases and the Loan Documents, none of the Loan Parties has any liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) which, individually or in the aggregate, has had or are likely to have a Material Adverse Effect on the Loan Parties.

Section 3.06. No Material Adverse Change or Material Adverse Effect. Except as set forth on Schedule 3.06, since June 30, 2010, there has been no event, circumstance or condition that has or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.07. Title to Properties; Possession Under Leases; Location of Real Property and Leased Premises.

(a) Each Loan Party and each of its subsidiaries has good and insurable fee simple title to, or valid leasehold interests in, or easements or other limited property interests in, all its real properties and has good and marketable title to its personal property and assets, in each case, except for defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties and assets for their intended purposes and except where the failure to have such title could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. All such properties and assets are free and clear of Liens, other than Liens expressly permitted by Section 6.02.

(b) Each Loan Party and each of its subsidiaries has complied with all obligations under all leases to which it is a party, except where the failure to comply would not have a Material Adverse Effect, and all such leases are in full force and effect, except leases in respect of which the failure to be in full force and effect could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Except as set forth on Schedule 3.07(b), each Loan Party and each of its subsidiaries enjoys peaceful and undisturbed possession under all such leases, other than leases in respect of which the failure to enjoy peaceful and undisturbed possession could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) Schedule 3.07(c) lists completely and correctly, as of the Closing Date, all real property owned by any Loan Party or any of its subsidiaries and the addresses thereof. As of the Closing Date, the Loan Parties and their subsidiaries own in fee all of the real property set forth as being owned by them on such Schedule.

(d) Schedule 3.07(d) lists completely and correctly, as of the Closing Date, all real property leased by any Loan Party or any of its subsidiaries and the addresses thereof. The Loan Parties and their subsidiaries have valid leases in all of the material real property set forth as being leased by them on such Schedule.

(e) Each Loan Party and each of its subsidiaries owns or possesses, or is licensed to use, all patents, trademarks, service marks, trade names and copyrights (and all other IP Collateral) and all licenses and rights with respect to the foregoing, necessary for the present conduct of its business, without any conflict (of which any Loan Party or any of its subsidiaries has been notified in writing) with the rights of others, and free from any burdensome restrictions on the present conduct of the Loan Party, except where such conflicts and restrictions could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(f) As of the Closing Date, none of the Loan Parties and none of their subsidiaries has received any notice of any pending or contemplated condemnation proceeding affecting any of its owned real property or any sale or disposition thereof in lieu of condemnation that remains unresolved.

(g) None of the Loan Parties and none of their subsidiaries are obligated on the Closing Date under any right of first refusal, option or other contractual right to sell, assign or

otherwise dispose of any of its owned real property or any interest therein, except as permitted under Sections 6.02 or 6.04.

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

Section 3.08. Subsidiaries.

(a) Schedule 3.08 sets forth as of the Closing Date the name and jurisdiction of incorporation, formation or organization of each Loan Party and each of its subsidiaries, as to each such Loan Party or subsidiary, the percentage of each class of Equity Interests owned by the parties holding such Equity Interests.

(b) As of the Closing Date, except for the call option and put option set forth in the Amended and Restated Shareholders Agreement dated August 11, 2009 among 4491165 Canada Inc., the Borrower, TerreStar Networks Holdings (Canada) Inc., TerreStar Canada and Trio 2 General Partnership, there are no outstanding subscriptions, options, warrants, calls, rights or other agreements or commitments (other than stock options granted to employees or directors and directors' qualifying shares) of any nature relating to any Equity Interests of any Loan Party or any of its subsidiaries.

Section 3.09. Litigation; Compliance with Laws.

(a) Except as set forth on Schedule 3.09 and other than the Cases, there are no actions, suits, investigations or proceedings at law or in equity or by or on behalf of any Governmental Authority or in arbitration now pending, or, to the knowledge of any Loan Party, threatened in writing against or affecting any Loan Party or any of its subsidiaries or any business, property or rights (including FCC License Rights and Industry Canada License Rights) of any such person, that (i) involve any Loan Document or (ii) could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) No Loan Party or any of its subsidiaries or any of their respective properties or assets is in violation of (nor will the continued operation of their material properties and assets as currently conducted violate) any law, rule or regulation (including any zoning, building, ordinance, code or approval or any building permit, but excluding any Environmental Laws, which are subject to Section 3.16) or any restriction of record or agreement affecting any of its owned real property, or is in default with respect to any judgment, writ, injunction or decree of any Governmental Authority, where such violation or default could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 3.10. Federal Reserve Regulations.

(a) No Loan Party and none of its subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock.

(b) No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, (i) to purchase or carry Margin Stock or to extend credit to others for the purpose of purchasing or carrying Margin Stock or to refund indebtedness originally incurred for such purpose, or (ii) for any purpose that entails a violation of, or that is inconsistent with, the provisions of the Regulations of the Board, including Regulation U or Regulation X.

Section 3.11. Investment Company Act. No Loan Party and none of its subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended.

Section 3.12. Use of Proceeds. The Borrower will use the proceeds of the Loans solely for (i) post petition operating expenses of the Borrower and the other Loan Parties and their subsidiaries incurred in the ordinary course of business in accordance with the Agreed Budget and the satisfaction of certain Milestone Requirements (except to the extent the failure to satisfy any of the Milestone Requirements is solely caused by the action or inaction of the Initial Lender), in each case, and the fees and expenses of the Foreign Information Officer and its counsel, (ii) the payment of costs and expenses of the administration of the Cases, including, without limitation, the payment of fees and expenses of attorneys, accountants and other professionals retained in the Cases pursuant to Sections 327 and 1103 of the Bankruptcy Code and the fees and expenses of the office of the United States Trustee, in accordance with the terms of this Agreement and the DIP Orders, (iii) the payment of a CDN $125,000 retainer in the aggregate (less any amounts already remitted as a retainer) to the Foreign Information Officer, (iv) the payment of the fees and expenses of the Administrative Agent, the Initial Lender and any other Lender having a Commitment equal to or greater than $15,000,000 (and their respective counsel and other advisors of the Initial Lender) in connection with the negotiation, preparation, administration, execution and delivery of this Agreement and the other Loan Documents, and (v) any other costs and expenses approved by the Required Lenders.

Section 3.13. Tax Returns. Except as set forth on Schedule 3.13:

(a) each of the Loan Parties and their subsidiaries has filed or caused to be filed all federal, state, provincial, local and non-U.S. Tax returns required to have been filed by it that are material to such companies, taken as a whole, and each such Tax return is true and correct in all material respects;

(b) each of the Loan Parties and their subsidiaries has timely paid or caused to be timely paid all Taxes shown to be due and payable by it on the returns referred to in clause (a) and all other Taxes or assessments (or made adequate provision (in accordance with GAAP) for the payment of all Taxes due) with respect to all periods or portions thereof ending on or before the Closing Date (except Taxes or assessments that are being contested in good faith by appropriate proceedings in accordance with Section 5.03 and for which such Loan Party or its subsidiary (as the case may be) has set aside on its books adequate reserves in accordance with GAAP), which Taxes, if not paid or adequately provided for, could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; and

(c) other than as could not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect as of the Closing Date, with respect to the Loan Parties and their subsidiaries, there are no claims being asserted in writing with respect to any Taxes.

Section 3.14. No Material Misstatements.

(a) All written information (other than Projections) (the "Information") concerning the Loan Parties and their subsidiaries and any transactions contemplated hereby prepared by or on behalf of the foregoing or their representatives and made available to any Lenders or the Administrative Agent in connection with the transactions contemplated hereby, when taken as a whole, was true and correct in all material respects as of the date such Information was furnished to the Lenders and as of the Closing Date and did not contain any untrue statement of a material fact as of any such date or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements were made.

(b) The Projections prepared by or on behalf of the Loan Parties or any of their representatives and that have been made available to any Lenders or the Administrative Agent in connection with the transactions contemplated hereby or prepared by or on behalf of the foregoing or their representatives (i) have been prepared in good faith based upon assumptions believed by the Loan Parties to be reasonable as of the date thereof (it being understood that actual results may vary materially from the Projections), as of the date such Projections and estimates were furnished to the Lenders and as of the Closing Date, and (ii) as of the Closing Date, have not been modified in any material respect by the Borrower or any of its Affiliates.

Section 3.15. Employee Benefit Plans.

(a) Except as could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (i) the Loan Parties, their subsidiaries and the ERISA Affiliates are in compliance with the applicable provisions of ERISA and the provisions of the Code relating to ERISA Plans and the regulations and published interpretations thereunder; (ii) other than as a result of the filing of the Cases, no Reportable Event has occurred during the past five (5) years as to which any Loan Party or any subsidiary thereof or any ERISA Affiliate was required to file a report with the PBGC, other than reports that have been filed; (iii) other than as a result of the filing of the Cases, no ERISA Event has occurred or is reasonably expected to occur; and (iv) none of the Loan Parties, any of their subsidiaries or any ERISA Affiliate has received any written notification that any Multiemployer Plan is in reorganization or has been terminated within the meaning of Title IV of ERISA, or has knowledge that any Multiemployer Plan is reasonably expected to be in reorganization or to be terminated.

(b) Each Loan Party and each of its subsidiaries is in compliance (i) with all applicable provisions of law and all applicable regulations and published interpretations thereunder with respect to any employee pension benefit plan or other employee benefit plan governed by the laws of a jurisdiction other than the United States and (ii) with the terms of any such plan, except, in each case, for such noncompliance that could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(c) Except as could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (i) each Canadian Pension Plan and any participation requirements of a Loan Party in each Canadian Union Plan are in compliance with the applicable plan terms and the requirements of any funding agreements and all applicable laws, (ii) each Canadian Pension Plan that requires registration is duly registered under the Income Tax Act (Canada) and all other applicable laws, (iii) all employer and employee payments, contributions or premiums to be remitted or paid to or in respect of each Canadian Pension Plan or Canadian Union Plan have been paid in a timely fashion in accordance with the terms thereof, any funding agreement and all applicable laws, (iv) there have been no improper withdrawals or applications of the assets of the Canadian Pension Plans, (v) no Canadian Pension Event has occurred or is reasonably expected to occur, and (vi) each of the Canadian Pension Plans and Canadian Union Plans is fully funded on a going concern and solvency basis (using actuarial methods and assumptions that are consistent with the valuations last filed with the applicable governmental authorities and that are consistent with generally accepted actuarial principles).

Section 3.16. Environmental Matters. Except as disclosed on Schedule 3.16 and except as to matters that could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect: (i) no written notice, request for information, claim, demand, order, complaint or penalty has been received by the Loan Parties or any of their subsidiaries, and there are no judicial, administrative or other actions, suits or proceedings pending or, to the Borrower's knowledge, threatened, which allege a violation of or liability under any Environmental Laws, in each case relating to the Loan Parties or any of their subsidiaries, (ii) the Loan Parties and their subsidiaries have all authorizations and permits necessary for their operations to comply with all applicable Environmental Laws and are, and during the term of all applicable statutes of limitation, have been, in compliance with the terms of such permits and with all other applicable Environmental Laws, and (iii) no Hazardous Material is located at, in, or under any property currently or formerly owned, operated or leased by any Loan Party or any of its subsidiaries that could reasonably be expected to give rise to any liability or obligation of any Loan Party or any of its subsidiaries under any Environmental Laws, and no Hazardous Material has been generated, owned or controlled by any Loan Party or any of its subsidiaries and has been transported to or released at any location in a manner that would reasonably be expected to give rise to any liability or obligation of any Loan Party or any of its subsidiaries under any Environmental Laws.

Section 3.17. Labor Matters. Except as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect: (a) there are no strikes or other labor disputes pending or threatened against any Loan Party or any of its subsidiaries; (b) the hours worked and payments made to employees of the Loan Parties and their subsidiaries have not been in violation of the Fair Labor Standards Act or any other applicable law dealing with such matters; and (c) all payments due from any Loan Party or any of its subsidiaries or for which any claim may be made against any Loan Party or any of its subsidiaries, on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as a liability on the books of any Loan Party or any of its subsidiaries to the extent required by GAAP. Except (i) as, individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect or (ii) as set forth on Schedule 3.17, the consummation of the transactions contemplated hereby will not give rise to a right of termination or right of renegotiation on the part of any union under any material collective bargaining agreement to

which any Loan Party or any of its subsidiaries (or any predecessor of any Loan Party or any of its subsidiaries) is a party or by which any Loan Party or any of its subsidiaries (or any predecessor of any Loan Party or any of its subsidiaries) is bound.

Section 3.18. Insurance. Schedule 3.18 sets forth a true, complete and correct description of all material insurance maintained by or on behalf of each Loan Party and its subsidiaries as of the Closing Date. As of such date, such insurance is in full force and effect. The Loan Parties believe that the insurance maintained by or on behalf of the Loan Parties and their subsidiaries is adequate.

Section 3.19. Anti-Terrorism Laws.

(a) No Loan Party and, to the knowledge of the Loan Parties, none of its Affiliates is in violation of any Requirement of Law relating to terrorism or money laundering ("Anti-Terrorism Laws"), including, without limitation, Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the "Executive Order"), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 and Canadian Anti-Money Laundering & Anti-Terrorism Legislation.

(b) To the knowledge of the Loan Parties, no Loan Party and no Affiliate or broker or other agent of any Loan Party acting or benefiting in any capacity in connection with the Loans is any of the following:

(i) a person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(ii) a person owned or controlled by, or acting for or on behalf of, any person that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order;

(iii) a person with which any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law;

(iv) a person that commits, threatens or conspires to commit acts of, or supports, "terrorism" as defined in the Executive Order; or

(v) a person that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control ("OFAC") at its official website or any replacement website or other replacement official publication of such list.

(c) To the knowledge of the Loan Parties, no Loan Party and none of its Affiliates and no broker or other agent of any Loan Party or any of its Affiliates acting in any capacity in connection with the Loans (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in paragraph (b) above, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order, or (iii) engages in or conspires to

engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

Section 3.20. Licensing and Accreditation. Schedule 3.20 set forth all material FCC Licenses and Industry Canada Licenses. The Loan Parties and their respective Affiliates to the extent applicable have (a) obtained and maintained in good standing all required material licenses, permits, certificates, registrations, authorizations and approvals necessary for the operation of their businesses as currently conducted, and (b) to the extent necessary for the operation of its businesses as currently conducted, obtained and maintains accreditation from all generally recognized accrediting agencies. To the knowledge of the Loan Parties, all such required material licenses (including FCC Licenses and Industry Canada Licenses) are in full force and effect on the Closing Date and have not been revoked or suspended or otherwise limited and there no appeals directly relating thereto.

Section 3.21. Agreed Budget. The Agreed Budget includes and contains all fees, costs and/or expenses that are projected in the Loan Parties' commercially reasonable judgment to be payable, incurred and/or accrued by the Loan Parties during the period covered by such Agreed Budget.

Section 3.22. Accounts and Cash Management Accounts. Schedule 3.22 sets forth a complete and accurate list, as of the Closing Date, of all deposit account and securities accounts (as such terms are defined in Section 9-102 of the UCC) of each Loan Party.

Section 3.23. Brokers. Except as set forth on Schedule 3.23, no broker's, finder's or placement fee or commission is or will be payable to any broker, investment banker or agent engaged by any Loan Party or it officers, directors or agents with respect to the transactions contemplated by this Agreement, except for fees payable to the Administrative Agent and Lenders.

Section 3.24. Reorganization Matters.

(a) The Cases were commenced on the Petition Date in accordance with applicable law and proper notice thereof and for (i) the motion seeking approval of the Loan Documents and the DIP Order, (ii) the hearing for the approval of the DIP Order and (iii) the motion seeking recognition of the Loan Documents and the DIP Order by the Canadian Court.

(b) The Loan Parties have given (and shall give), on a timely basis as specified in the DIP Order, all notices required to be given to all parties specified in the DIP Order.

(c) After the entry of the DIP Order and to the extent provided therein, the Obligations will constitute allowed super-priority administrative expense claims in the Cases having priority under Section 364(c)(i) of the Bankruptcy Code over all administrative expense claims and unsecured claims against the Loan Parties now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expense claims of the kind specified in Sections 105, 326, 328, 330, 331, 363, 364, 503, 506, 507, 546, 726, 1113 and 1114 or any other provision of the Bankruptcy Code or otherwise, as provided under Section 364(c)(1) of the Bankruptcy Code, subject, as to priority only, to the Carve-Out to the extent set forth in the DIP Order.

(d) After the entry of the DIP Order and pursuant to and to the extent provided therein, the Obligations will be secured by a valid, legal and perfected Lien on and security interest in all of the Collateral of the Loan Parties having the priority afforded by Sections 364(c)(1), (2) and (3) and 364(d)(1) of the Bankruptcy Code, as set forth in the DIP Order.

(e) The DIP Order, with respect to the period on and after entry of the DIP Order, is in full force and effect and has not been modified or amended without the consent of the Required Lenders, or reversed or stayed.

(f) The Borrower consents to the lien priming provisions herein and in the DIP Orders regarding the priming of any Liens held by the Borrower.

Section 3.25. Material Contracts. Except as may occur as a result of the commencement of the Cases, (a) each of the Material Contracts is in full force and effect and, to the knowledge of the Loan Parties, there are no material defaults thereunder on the part of any other party thereto which are not subject to an automatic stay or which would reasonably be expected to have a Material Adverse Effect, and (b) no Loan Party is in default in any material respect in the performance, observance or fulfillment of any of its obligations, covenants or conditions contained in any agreement evidencing or creating any Lien permitted under Section 6.02 which is not subject to an automatic stay or any other Material Contract to which it is a party or by which it or its property is bound which are not subject to an automatic stay or which would reasonably be expected to have a Material Adverse Effect.

Section 3.26. Transactions with Affiliates. Except as disclosed on Schedule 3.26, no Affiliate of any Loan Party which is not a Loan Party, including but not limited to TerreStar Corporation and any of its subsidiaries that are not Loan Parties, has on the date hereof (i) any interest in any property (whether real, personal or mixed and whether tangible or intangible) used in or pertaining to any of the businesses of the Loan Parties or (ii) any transaction with the Loan Parties (other than, in the ordinary course of business, (x) fees and compensation paid to and indemnity provided on behalf of, officers, employees, consultants or agents of the Loan Parties, and benefits received by such Persons in connection with participation in any Plans, (y) ordinary course reimbursement of expenses incurred on behalf of a Loan Party, and (z) transactions on terms no less favorable to a Loan Party than those which could have been obtained in an arm's-length transaction with an unrelated third party and which provide for payments in any full year period of less than $100,000).

Section 3.27. Collateral. The information contained in Schedule 3.27 relating to certain Collateral is correct.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.01. Conditions Precedent to Initial Funding Date. The obligation of each Lender to make the Loan required to be made by it on the Initial Funding Date is subject to the satisfaction of all of the following conditions precedent:

(a) The Administrative Agent shall have received a duly executed Notice of Borrowing from Borrower as required under Section 2.03(a).

(b) (i) The representations and warranties set forth herein and in the other Loan Documents shall be true and correct in all material respects on and as of the Initial Funding Date except to the extent such representations and warranties expressly relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date (provided, however, in each case if any such representation or warranty shall be subject of a qualification as to "materiality," such qualified representation and warranty shall be true and correct in all respects as of such date) and (ii) no Default or Event of Default shall have occurred and be continuing or would result from the making of such Loan or the application of the proceeds therefrom. Each Loan Party shall have delivered a certificate of a Responsible Officer, in form and substance satisfactory to the Required Lenders, certifying the foregoing.

(c) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(d) The Lenders shall have received the Agreed Budget.

(e) All Fees required to be paid on or prior to the Initial Funding Date shall have been paid and, to the extent invoiced, all other amounts due and payable pursuant to the Loan Documents on or prior to the Initial Funding Date, including reimbursement or payment of all out-of-pocket expenses (including fees, charges and disbursements of Willkie Farr & Gallagher LLP, Sullivan & Cromwell LLP, Goodmans LLP, Emmet, Marvin & Martin, LLP, Steptoe & Johnson LLP and any local counsel) required to be reimbursed or paid by the Loan Parties hereunder or under any Loan Document shall have been paid in full in cash (except as otherwise provided in this Agreement).

(f) The Lenders shall have received a copy of the Interim DIP Order, which Interim DIP Order shall have been entered by the Bankruptcy Court and recognized by the Canadian Court, after notice given and a hearing conducted in accordance with Bankruptcy Rule 4001(c), authorizing and approving the transactions contemplated by the Loan Documents and finding that the Lenders are extending credit to the Loan Parties in good faith within the meaning of Bankruptcy Code Section 364(e), which Interim DIP Order and Initial Recognition Order shall (i) approve the payment by the Loan Parties of all Fees, (ii) otherwise be satisfactory to the Required Lenders and (iii) be in full force and effect and shall not have been stayed, reversed, vacated, or otherwise modified in a manner adverse to any Lender.

(g) Each Loan Party shall have executed and delivered all documentation required in respect of this Agreement (including all guarantees and related Collateral security and the filing of all perfection filings, including PPSA filings, required by the Lenders), in each case reasonably satisfactory to the Lenders.

(h) All material operational "first day orders" sought to be entered at the time of the commencement of the Loan Parties' Cases shall be in form and substance satisfactory to the Lenders and shall be consistent with the Agreed Budget. The Interim DIP Order shall be in form and substance satisfactory to the Lenders and shall permit the Loan Parties to use all cash that is subject to non-avoidable, valid, enforceable and perfected Liens on the date of the commencement of the Cases, including, without limitation, and to the extent such Liens are non-avoidable, valid, enforceable and perfected, the Liens securing obligations in respect of the 15% Notes and the PMCA. The Interim DIP Order and Final DIP Order will include the provision of adequate protection for the lenders and collateral agent under the 15% Notes (the "15% Notes Adequate Protection"), which shall be in the form of (a) replacement Liens on any and all non-avoidable, valid, enforceable and perfected collateral held by such lenders and collateral agent, (b) a non-avoidable, valid, enforceable and perfected Lien, subject only to those Liens securing the Loan and those Liens securing the PMCA on all of the Loan Parties' assets which are collateral under the Loan but not included in (a) above, (c) a priority adequate protection claim ranking junior to the claims of the Lenders and (d) payment of professional fees and expenses of the Trustee (as defined in the 15% Notes) and collateral agent under the 15% Notes. The cash collateral order (the "Cash Collateral Order") and the Orders will also include the provision of adequate protection for the lenders and the collateral agent under the PMCA (the "PMCA Adequate Protection"), which shall be in the form of (x) replacement Liens on any and all non-avoidable, valid, enforceable and perfected collateral held by the PMCA lenders and collateral agent, (y) a priority adequate protection claim ranking junior to the claims of the Lenders (and pari passu with the adequate protection claims of the lenders and the collateral agent under the 15% Notes) and (z) payment of professional fees and expenses of the collateral agent under the PMCA.

(i) The Lenders shall have received confirmation satisfactory to them of sufficient insurance coverage for all property of the Loan Parties and their subsidiaries, general liability insurance and other forms of insurance in amounts with deductibles satisfactory to the Required Lenders, and that the Administrative Agent, on behalf of and for the benefit of the Lenders, is named an additional insured.

(j) Except for the commencement of the Cases and as caused by such commencement and as may otherwise be disclosed in writing to the Lenders prior to the Closing Date, no Material Adverse Change shall have occurred since June 30, 2010.

(k) All necessary governmental and third-party licenses, consents and approvals in connection with the Loans and the transactions contemplated thereby shall have been obtained (without the imposition of any conditions that are not reasonably acceptable to the Lenders) and shall remain in effect; and no law or regulation shall be applicable in the reasonable judgment of the Lenders that restrains, prevents or imposes materially adverse conditions upon the Loans.

(l) The Lenders shall have received (i) a favorable written opinion of Akin Gump Strauss Hauer & Feld LLP, special New York counsel to the Loan Parties, in the form attached hereto as Exhibit H-1 and (ii) a favorable written opinion of Fraser Milner Casgrain LLP, Canadian counsel to the Loan Parties, in the form attached hereto as Exhibit H-2.

(m) The Canadian Court shall have entered the Initial Recognition Order and the Lenders shall have received evidence thereof.

Section 4.02. Conditions Precedent to Each Loan after the Initial Funding Date. The obligation of each Lender on any date to make any Loan after the Initial Funding Date is subject to the satisfaction of all the following conditions precedent:

(a) The Administrative Agent shall have received a duly executed Notice of Borrowing from Borrower as required under Section 2.03(a).

(b) (i) The representations and warranties set forth herein and in the other Loan Documents shall be true and correct in all material respects on and as of the date of such Loan, except to the extent such representations and warranties expressly relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date (provided, however, in each case if any such representation or warranty shall be subject of a qualification as to "materiality," such qualified representation and warranty shall be true and correct in all respects as of such date) and (ii) no Default or Event of Default shall have occurred and be continuing or would result from the making of such Loan or the application of the proceeds therefrom.

(c) The Administrative Agent shall have received a copy of the Final DIP Order and the Final Recognition Order, which Final DIP Order and Final Recognition Order (i) shall be in form and substance satisfactory to the Required Lenders and (ii) shall be in full force and effect and shall not have been vacated, stayed, reversed, modified or amended in any respect; and, if either of the Final DIP Order or the Final Recognition Order is the subject of a pending appeal in any respect, neither the making of the Loans, nor the ability of the Loan Parties to perform any of their respective obligations hereunder, under the other Loan Documents or under any other instrument or agreement referred to herein shall be the subject of a presently effective stay pending appeal.

(d) The making of the Loans on such date (i) does not violate any Requirement of Law applicable to any Loan Party on the date of or immediately following the making of such Loan and (ii) is not enjoined temporarily, preliminarily or permanently.

(e) There shall not exist any law, regulation, ruling, judgment, order, injunction or other restraint that prohibits, restricts or imposes materially adverse conditions on the Loan Parties or the exercise by the Administrative Agent or the Lenders of their rights as secured parties with respect to the Collateral.

(f) The Loan Parties shall have delivered mortgages on the properties set forth on Schedule 5.13 in form and substance satisfactory to the Required Lenders.

(g) The making of the Loan shall comply with the Agreed Budget.

Each submission by the Borrower to the Administrative Agent of a Notice of Borrowing and the acceptance by the Borrower of the proceeds of each Loan requested therein shall be deemed to constitute a making of the representations and warranties by the Loan Parties (and Borrower is

authorized to make and certify such representations and warranties on behalf of the Loan Parties) as to the matters specified in Section 4.02(b) on the date of the making of such Loan.

ARTICLE V

AFFIRMATIVE COVENANTS

Each of the Loan Parties covenants and agrees with the Administrative Agent and each Lender that so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Loan Document shall have been paid in full, unless the Required Lenders shall otherwise consent in writing, the Loan Parties will and will cause their Subsidiaries to:

Section 5.01. Existence; Businesses and Properties.

(a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect their legal existence, except, in the case of any Guarantor, (i) as otherwise expressly permitted under Section 6.04, or (ii) the liquidation or dissolution of any Guarantor if the assets of such Guarantor to the extent they exceed its estimated liabilities are acquired by another Loan Party in such liquidation or dissolution.

(b) Do or cause to be done all things necessary to (i) lawfully obtain, preserve, renew, extend and keep in full force and effect the permits, franchises, authorizations, patents, trademarks, service marks, trade names, copyrights, licenses and rights with respect thereto necessary to the normal conduct of their business, and (ii) at all times maintain and preserve all property necessary to the normal conduct of their business and keep such property in good repair, working order and condition and from time to time make, or cause to be made, all needful and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith, if any, may be properly conducted at all times (in each case except as expressly permitted by the Loan Documents).

Section 5.02. Insurance.

(a) Maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as is customarily maintained by similarly situated companies engaged in the same or similar businesses operating in the same or similar locations and cause the Administrative Agent to be listed as a co-loss payee on property (with respect to property unencumbered as of the Petition Date) and casualty policies and as an additional insured on liability policies.

(b) If at any time the area in which any of the real property owned by any of the Loan Parties is located is designated a “flood hazard area” in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), obtain flood insurance in such total amount as the Required Lenders may from time to time reasonably require, and otherwise comply with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as it may be amended from time to time.

Section 5.03. Taxes. In accordance with the Bankruptcy Code and subject to any required approval by an applicable order of the Bankruptcy Court and without any further application to the Bankruptcy Court, timely pay, discharge or otherwise satisfy as the same shall become due and payable: (a) all its material post-petition Taxes and other material obligations of whatever nature that constitute administrative expenses under Section 503(b) of the Bankruptcy Code in the Cases; provided, however, that such payment and discharge shall not be required (i) with respect to any such post-petition Tax or claim, so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings, the affected Loan Party, as the case may be, shall have set aside on its books reserves in accordance with GAAP with respect thereto or (ii) to the extent prohibited by Section 6.09(b) hereunder; and (b) all material obligations arising from Obligations entered into after the Petition Date or from Obligations entered into prior to the Petition Date and assumed and which are permitted to be paid post-petition.

Section 5.04. Financial Statements, Reports, etc. Furnish to the Administrative Agent and the Lenders the following:

(a) within three (3) Business Days after the end of each bi-weekly period of the Loan Parties (commencing with the bi-weekly period ending October 30, 2010), a report, in form reasonably acceptable to the Required Lenders, setting forth the actual cash receipts and disbursements for such immediately preceding bi-weekly period;

(b) within (3) Business Days after the end of each calendar month, beginning with the month ended November 30, 2010, the Monthly Performance Report for the preceding month;

(c) within (3) Business Days after the end of each fiscal month, beginning with the month ended November 30, 2010, a line by line comparison of the actual results of the company against the projections set forth on the DIP Covenants page of the Agreed Budget;

(d) within five (5) Business Days after the end of each fiscal month of the Loan Parties, consolidated and consolidating balance sheets and related statements of operations and cash flows showing the financial position of the Loan Parties as of the close of such fiscal month and the consolidated results of their operations during such fiscal month and setting forth (i) in comparative form the corresponding figures for the corresponding period in the prior fiscal year and figures contained in the projections in the Agreed Budget and (ii) the sum of each line item since the Petition Date, all of which shall be in reasonable detail and which consolidated balance sheet and related statements of operations and cash flows shall be certified by a Financial Officer of the Borrower on behalf of the Borrower as fairly presenting, in all material respects, the financial position and results of operations of the Loan Parties on a consolidated basis in accordance with GAAP (subject to normal year-end audit adjustments and the absence of footnotes);

(e) within forty-five (45) days after the end of each fiscal quarter of each fiscal year of the Loan Parties (commencing with the fiscal quarter ending September 30, 2010), consolidated and consolidating balance sheets and related statements of operations and cash flows showing the financial position of the Loan Parties as of the close of such fiscal quarter and the consolidated results of their operations during such fiscal quarter and the then-elapsed portion of the fiscal year and setting forth in comparative form the corresponding figures for the

corresponding periods of the prior fiscal year and figures contained in the projections in the Agreed Budget, all of which shall be in reasonable detail and which consolidated balance sheet and related statements of operations and cash flows shall be certified by a Financial Officer of the Borrower on behalf of the Borrower as fairly presenting, in all material respects, the financial position and results of operations of the Loan Parties on a consolidated basis in accordance with GAAP (subject to normal year-end audit adjustments and the absence of footnotes);

(f) within ninety (90) days after the end of each fiscal year of the Loan Parties, consolidated and consolidating balance sheets of the Loan Parties as of the end of such year and related statements of operations and cash flows showing the financial position of the Loan Parties as of the close of such fiscal year and the consolidated results of their operations for such fiscal year and setting forth in comparative form the corresponding figures for the prior fiscal year, all prepared in conformity with GAAP and certified by the Borrower's independent certified accountants, which shall not be qualified in any material respect as to scope but may contain a qualification with respect to the Cases or "going concern," together with the report of such accountants stating that (i) such financial statements fairly present the consolidated financial position of the Loan Parties as at the dates indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except for changes with which such accountants shall concur and which shall have been disclosed in the notes to the financial statements), and (ii) if the accounting firm is not restricted from providing such a certificate or statement by its policies, the examination by such accountants in connection with such consolidated financial statements has been made in accordance with generally accepted auditing standards, and accompanied by a certificate stating that in the course of the regular audit of the business of the Loan Parties and such accountants have obtained no knowledge that a Default or Event of Default has occurred, or, if in the opinion of such accountants, a Default or Event of Default has occurred, a statement as to the nature thereof;

(g) concurrently with any delivery of financial statements under paragraph (a), (b), (c), (d), (e) or (f) above, (i) a certificate of a Financial Officer of the Borrower certifying that no Event of Default or Default has occurred or, if such an Event of Default or Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, and (ii) in the case of clauses (a), (d) and (e), a management's discussion and analysis, in detail satisfactory to the Required Lenders, of variances from the Agreed Budget;

(h) as soon as available and in any event not later than the third Business Day of each calendar week after the date hereof, a copy of each Loan Party's sales reports provided to management during the preceding week with respect to handheld phones;

(i) as soon as available and in any event not later than the third Business Day of every other calendar week after the date hereof, an updated 13-week rolling cash flow forecast in form and substance satisfactory to the Required Lenders setting forth all receipts and disbursements on a weekly basis for the next succeeding 13-week period, including a line item specifying the projected amount of cash and outstanding Loans as of the end of each week covered thereby, and the related variance report;

(j) promptly after the same become publicly available, copies of all periodic and other publicly available reports, proxy statements and, to the extent requested by the Administrative Agent or any Lender, other materials filed by any Loan Party with the SEC;

(k) promptly after the submission thereof, a copy of all reports submitted to the board of directors (or any committee thereof) of any Loan Party in connection with any material interim or special audit made by independent accountants of the books of any Loan Party (excluding any reports which have been identified as confidential);

(l) as soon as available and in any event not later than the third Business Day of each calendar month, a summary, in detail reasonably satisfactory to the Required Lenders, of payments made by any Loan Party or any of its subsidiaries to and receipts by any Loan Party or any of its subsidiaries from Related Parties that are not Loan Parties, made during the preceding month;

(m) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of the Loan Parties, or compliance with the terms of any Loan Document, or such consolidated financial statements, as in each case the Administrative Agent or any Lender may reasonably request; and

(n) promptly following a request therefor, all documentation and other information that the Administrative Agent reasonably requests on its own behalf or on behalf of any Lender in order to comply with ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Act.

Section 5.05. Litigation and Other Notices. Furnish to the Administrative Agent written notice of the following promptly after any Responsible Officer of any Loan Party obtains actual knowledge thereof (unless a specific time frame for providing such written notice is stated, in which case such written notice must be provided within the time frame specified):

(a) any Event of Default or Default, specifying the nature and extent thereof and the corrective action (if any) proposed to be taken with respect thereto;

(b) the filing or commencement of, or any written threat or notice of intention of any person to file or commence, any action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority or in arbitration, against any Loan Party or any of its subsidiaries which, if adversely determined, could reasonably be expected to have a Material Adverse Effect;

(c) any other development specific to any Loan Party or any of its subsidiaries that is not a matter of general public knowledge and that has had, or could reasonably be expected to have, a Material Adverse Effect;

(d) the occurrence of any ERISA Event that, together with all other ERISA Events that have occurred, could reasonably be expected to have a Material Adverse Effect;

(e) the occurrence of any Canadian Pension Event that, together with all other Canadian Pension Events that have occurred, could reasonably be expected to have a Material Adverse Effect;

(f) notices of material changes affecting the business, operations, result of operation or financial condition of any Loan Party or any of its subsidiaries, since the date of entry of the Interim DIP Order, to Material Contracts with customers, including new Material Contracts and contract renewals,

(g) notices of material changes to employment and labor agreements of any Loan Party or any of its subsidiaries;

(h) notices of any changes in management of any Loan Party or any of its subsidiaries; and

(i) other than as a result of the commencement of the Cases or as customarily caused by the filing thereof, notices of any material change in financial condition as well as of the occurrence of any Default or Event of Default.

The Borrower shall be responsible for ensuring that the 2000-2010 MHz and 2190-2200 MHz bands ("MSS Spectrum") are used in full compliance with the Borrower's FCC Licenses and the Communications Laws.

Section 5.06. Compliance with Laws; Licenses; Material Contracts. Except required by Section 6.09(b) and Section 6.19, comply in all material respects with all Material Contracts (including, but not limited to, those Material contracts disclosed on Schedule 5.06), licenses (including FCC Licenses and Industry Canada Licenses) and laws (including, without limitation, the Bankruptcy Code and Communications Laws), rules, regulations and orders of any Governmental Authority applicable to it or its property, including, without limitation, all orders and rulings of the Bankruptcy Court; provided that this Section 5.06 shall not apply to Environmental Laws, which are the subject of Section 5.08, or to laws related to Taxes, which are the subject of Section 5.03. The Borrower shall be solely responsible at its sole cost and expense for promptly (i) filing any ongoing compliance reports required by the FCC or any other governmental authority as a result of its FCC Licenses, and (ii) making all other filings required in connection with its FCC Licenses or otherwise required to be provided to the FCC in connection with the transactions contemplated in this Agreement. Should the Loan Parties believe that a filing is required by reason of any action, the Loan Parties shall notify the Borrower and if in the Borrower's discretion such filing is required, then the Borrower shall thereafter take all actions reasonably required to make such filing on a timely basis. The Borrower shall take all actions as are commercially reasonably necessary to maintain the Borrower's FCC Licenses in full force and effect, including without limitation timely and properly filing and diligently prosecuting any applications with or notifications to the FCC. The Borrower shall provide the Lenders with reasonable advance notice of any investigation or proceeding requested from, or instituted by, the FCC, and the opportunity to provide input on the scope and nature of the proposed actions needed to maintain compliance (such input to be considered in good faith by the Borrower, it being understood that the Borrower shall have the sole discretion to take such actions as it reasonably deems necessary to assure compliance with

the Borrower's FCC Licenses and the Communications Laws). If the Borrower becomes aware of (i) any material violation by any Loan Party of the Communications Laws to the extent relating to the Borrower's FCC Licenses, (ii) any event or the initiation of any litigation, investigation, proceeding or inquiry by or before the FCC or any other Governmental Authority with regard to the MSS Spectrum or the Borrower's FCC Licenses, or which could reasonably be expected to limit, affect or impact the Loan Parties' rights or obligations under this Agreement, then the Borrower shall promptly provide the Lenders with notice thereof, together with copies of all material communications relating thereto. In the event that the FCC or any other Governmental Authority initiates an investigation or inquiry concerning the FCC Licenses or any actions or operations of the Borrower thereunder, or is requested to initiate such an investigation or inquiry by a third party and the Borrower receives notice of such request, then the Borrower agrees to notify the Lenders promptly upon becoming aware of such investigation or inquiry and to cooperate with the Lenders, the FCC, and/or any other applicable Governmental Authority. The Borrower shall provide the Lenders with copies of all draft responses related to any such FCC or other governmental authority investigation or inquiry as soon as reasonably practicable prior to its submission thereof, and shall consider in good faith any comments provided by the Lenders in connection therewith.

Section 5.07. Maintaining Records; Access to Properties and Inspections. Maintain all financial records in accordance with GAAP and permit any persons designated by the Administrative Agent or, upon the occurrence and during the continuance of an Event of Default, any Lender to visit and inspect the financial records and the properties of any Loan Party at reasonable times, upon reasonable prior notice to such Loan Party, and as often as reasonably requested and to make extracts from and copies of such financial records, and permit any persons designated by the Administrative Agent or, upon the occurrence and during the continuance of an Event of Default, any Lender upon reasonable prior notice to any Loan Party to discuss the affairs, finances and condition of such Loan Party with the officers thereof and independent accountants therefor (subject to reasonable requirements of confidentiality, including requirements imposed by law or by contract). The Borrower shall make itself available to discuss the foregoing financial issues and issues regarding the restructuring with the Lender on a bi-weekly basis. In addition, the Borrower's management shall make itself available for telephonic and in person meetings, on reasonable notice under the circumstances, to provide additional financial and restructuring information to the Lender.

Section 5.08. Compliance with Environmental Laws. Comply, and make reasonable efforts to cause all lessees and other persons occupying its properties to comply, with all Environmental Laws applicable to its operations and properties; and obtain and renew all material authorizations and permits required pursuant to Environmental Laws for its operations and properties, in each case in accordance with Environmental Laws, except, in each case with respect to this Section 5.08, to the extent the failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 5.09. [Intentionally Omitted].

Section 5.10. Reorganization Matters. Deliver to the Administrative Agent, the Lenders and their respective counsel, for review and comment, all material pleadings, motions and other documents to be filed by or on behalf of any Loan Party in the Cases (i) prior to the filing

thereof, in the case of such documents substantially and directly related to the Facility, and (ii) as soon as practicable (and, if possible, prior to the filing thereof), in the case of all other documents not relating to the Facility; provided that any pleadings, motions and other documents substantially and directly related to the Facility shall be deemed to be material.

Section 5.11. Further Assurances.

(a) Execute any and all further documents, mortgages, financing or financing change statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages and other documents and recordings of Liens in stock registries), that may be required under any applicable law, or that the Administrative Agent (acting at the written request of the Required Lenders) may reasonably request, to effect the transactions contemplated by the Loan Documents or to grant, preserve, protect or perfect the Liens created or intended to be created by the Loan Documents, all at the expense of the Loan Parties, and provide to the Administrative Agent (acting at the written request of the Required Lenders), from time to time upon reasonable request, evidence as to the perfection and priority of the Liens created or intended to be created by the Loan Documents; provided, however, that to the extent any such expenses are not included in the Agreed Budget, the Lenders shall agree to modify the Agreed Budget to account for such expenses.

(b) Without limiting the restrictions of Section 6.04, if any additional direct or indirect subsidiary of any Loan Party is formed or acquired after the Closing Date, within one (1) Business Day after the date such Subsidiary is formed or acquired, notify the Administrative Agent thereof and, within ten (10) Business Days after the date such Subsidiary is formed or acquired, cause such Subsidiary to promptly (i) become a party to this Agreement and (ii) take such actions as may be required by law or reasonably requested by the Administrative Agent (acting at the written request of the Required Lenders) to grant and perfect the Liens intended to be created by the Loan Documents and Guarantee the Obligations of the Loan Parties incurred under the Loan Documents.

Section 5.12. Canadian Anti-Money Laundering & Anti-Terrorism Legislation Compliance. The Lenders and the Administrative Agent and their successors and assigns may be subject to Canadian Anti-Money Laundering & Anti-Terrorism Legislation and "know your customer" rules and regulations, and they hereby notify the Loan Parties that in order to comply with such legislation, rules and regulations, they may be required, among other things, to obtain, verify and record information pertaining to the Loan Parties, which information may relate to, among other things, the names, addresses, corporate directors, corporate registration numbers, corporate tax numbers, corporate shareholders and banking transactions of the Loan Parties. The Loan Parties hereby agree to take such actions and to provide, upon request, such information and access to information regarding the Loan Parties that is required to enable the Lenders and the Administrative Agent and their successors and assigns to comply with such Canadian Anti-Money Laundering & Anti-Terrorism Legislation and "know your customer" rules and regulations.

Section 5.13. Mortgages. Deliver mortgages on the properties set forth on Schedule 5.13 in form and substance satisfactory to the Required Lenders no later than the date of entry of the Final DIP Order.

ARTICLE VI

NEGATIVE COVENANTS

Each of the Loan Parties covenants and agrees with the Administrative Agent and each Lender that, so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Loan Document have been paid in full in cash, unless the Required Lenders shall otherwise consent in writing, such Loan Party will not and will not permit its Subsidiaries to:

Section 6.01. Indebtedness. Directly or indirectly incur, create, assume, become liable for or permit to exist any Indebtedness, except:

(a) Indebtedness existing on the date of this Agreement and disclosed on Schedule 6.01;

(b) Indebtedness created hereunder and under the other Loan Documents;

(c) Indebtedness owed to (including obligations in respect of letters of credit or bank guarantees or similar instruments for the benefit of) any person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance to any Loan Party, pursuant to reimbursement or indemnification obligations to such person; provided that upon the incurrence of Indebtedness with respect to reimbursement obligations regarding workers' compensation claims, such obligations are reimbursed not later than 30 days following such incurrence;

(d) Indebtedness between and among the Borrower, the Domestic Subsidiary Guarantors and the Canadian Guarantors;

(e) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds, financial assurances and completion guarantees and similar obligations, in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business not to exceed $1,000,000 in the aggregate;

(f) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business or other cash management services in the ordinary course of business; provided that such Indebtedness is extinguished within five (5) Business Days of its incurrence;

(g) Guarantees by any Loan Party of any Indebtedness of any Loan Party expressly permitted to be incurred under this Agreement; provided that Guarantees by any Loan Party under this Section 6.01(g) of any other Indebtedness of a person that is subordinated to other Indebtedness of such person shall be expressly subordinated to such other Indebtedness to the same extent;

(h) Indebtedness in respect of netting services, overdraft protection and similar arrangements, in each case, in connection with cash management and deposit accounts incurred in the ordinary course of business;

(i) other Indebtedness of any Loan Party or any of its Subsidiaries in an aggregate principal amount that at the time of, and after giving effect to, the incurrence thereof, would not exceed $500,000;

(j) all premium (if any), interest, fees, expenses, charges and additional or contingent interest on obligations described in paragraphs (a) through (i) above; and

(k) without duplication with any distributions made as permitted under clause (ii) of the proviso in Section 6.05, Indebtedness of TerreStar New York Inc. owed to any other Loan Party in an amount not to exceed $200 per month the proceeds of which are used to pay its operating expenses.

Notwithstanding anything to the contrary contained in this Section 6.01 and except as permitted under Section 6.01(k), no Non-Subsidiary Guarantor may incur Indebtedness from the Borrower, any Domestic Subsidiary Guarantor or any Canadian Guarantor.

Section 6.02. Liens. Directly or indirectly create, incur, assume or permit to exist any Lien on any property or assets (including stock or other securities of any person, including the Loan Parties or their subsidiaries) whether now owned or hereafter acquired or on any income or revenues or rights in respect of any thereof, except:

(a) Liens on property or assets of the Borrower or any Subsidiary existing on the Closing Date and described on Schedule 6.02; provided that, other than replacement Liens in connection with the 15% Notes Adequate Protection and PMCA Adequate Protection, such Liens shall secure only those obligations that they secure on the Closing Date and shall not subsequently apply to any other property or assets of any Loan Party;

(b) any Lien created under the Loan Documents, including the DIP Orders;

(c) Liens for Taxes, assessments or other governmental charges or levies not yet delinquent or that are being contested in compliance with Section 5.03;

(d) landlords', carriers', warehousemen's, mechanics', materialmen's, repairmen's, construction or other like Liens arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or that are being contested in good faith by appropriate proceedings and in respect of which, if applicable, the Borrower and the Subsidiaries shall have set aside on their books reserves in accordance with GAAP;

(e) (i) pledges and deposits made in the ordinary course of business in compliance with the Federal Employers Liability Act or any other workers' compensation, unemployment insurance or other social security laws or regulations and deposits securing liability to insurance carriers under insurance or self-insurance arrangements in respect of such obligations and (ii) pledges and deposits securing liability for reimbursement or indemnification obligations to

(including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to any Loan Party;

(f) deposits to secure the performance of bids, trade contracts (other than for Indebtedness), leases (other than Capital Lease Obligations), statutory obligations, surety and appeal bonds, performance and return of money bonds, bids, leases, government contracts, trade contracts, and other obligations of a like nature (including letters of credit in lieu of any such bonds or to support the issuance thereof) incurred in the ordinary course of business, not to exceed $500,000 in the aggregate;

(g) zoning restrictions, easements, leases (other than Capital Lease Obligations), licenses, special assessments, rights-of-way, standard reservations, minor defects and irregularities in title and restrictions on use of real property (including reservation of right of Crown, if any) and other similar encumbrances incurred in the ordinary course of business that, in the aggregate, do not interfere in any material respect with the ordinary conduct of the business of any Loan Party;

(h) Liens pursuant to Sections 546(b) and 362(b)(18) of the Bankruptcy Code;

(i) any interest or title of a lessor under any leases or subleases entered into by any Loan Party in the ordinary course of business;

(j) Liens that are contractual rights of set-off (i) relating to the establishment in the ordinary course of business of depository relations with banks not given in connection with the issuance or incurrence of Indebtedness, or (ii) relating to pooled deposit or sweep accounts of the Loan Parties to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Loan Parties;

(k) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of set-off or similar rights;

(l) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods; and

(m) Liens created pursuant to Indebtedness permitted by Section 6.01(i) and subject to the Lien priorities set forth in the DIP Order.

Section 6.03. Investments, Loans and Advances. Directly or indirectly purchase, hold or acquire any Equity Interests, evidences of Indebtedness or other securities of, make or permit to exist any loans or advances to or Guarantees of the obligations of, or make or permit to exist any investment or any other interest in (each, an "Investment"), any other person, except:

(a) (i) Investments by any Loan Party in the Equity Interests of any other Loan Party, (ii) intercompany loans between and among the Borrower, the Domestic Subsidiary Guarantors and the Canadian Guarantors, and (iii) Guarantees by the Borrower or any Loan Party of Indebtedness otherwise expressly permitted hereunder of the Borrower or any Loan Party.

(b) Permitted Investments;

(c) accounts receivable, security deposits and prepayments arising and trade credit granted in the ordinary course of business and any assets or securities received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss and any prepayments and other credits to suppliers made in the ordinary course of business;

(d) Investments existing on the Closing Date and described on Schedule 6.03;

(e) Investments resulting from pledges and deposits referred to in Sections 6.02(e) and (f);

(f) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with or judgments against, customers and suppliers, in each case in the ordinary course of business;

(g) Capital Expenditures (as defined by GAAP) permitted in Section 6.14;

(h) A one-time payment of no more than $7,000 to TerreStar Global Ltd. the proceeds of which are used to pay its taxes; and

(i) Loans to TerreStar New York Inc. only to the extent TerreStar New York Inc. is permitted to incur such Indebtedness under Section 6.01(k).

Notwithstanding anything to the contrary contained in this Section 6.03, no Loan Party shall create or acquire any Subsidiary after the date hereof and no Investments may be made after the Petition Date by any Loan Party in any Non-Subsidiary Guarantor (other than by a Non-Subsidiary Guarantor in another Non-Subsidiary Guarantor) or any 444 Entity (other than the payment permitted under Section 6.03(h) and Section 6.03(i)).

Section 6.04. Mergers, Amalgamations, Consolidations, Sales of Assets and Acquisitions. Merge into, amalgamate or consolidate with any other person, or permit any other person to merge into, amalgamate or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or any part of its assets (whether now owned or hereafter acquired), or any interest therein (including the sale or factoring at maturity or collection of any accounts or in connection with a Sale/Leaseback Transaction), or issue, sell, transfer or otherwise dispose of any Equity Interests of any Loan Party or any subsidiary thereof, or any interest therein, or purchase, lease or otherwise acquire (in one transaction or a series of transactions) all or any substantial part of the assets of any other person (all of the foregoing transactions, a "Covered Transaction"), except that this Section 6.04 shall not prohibit:

(a) (i) the purchase and sale of inventory in the ordinary course of business by any Loan Party or any subsidiaries, (ii) the acquisition or lease (pursuant to an operating lease) of any other asset in the ordinary course of business by any Loan Party or any subsidiary thereof, (iii) the sale of surplus, obsolete or worn-out equipment or other property in the ordinary course

of business by any Loan Party or any subsidiary thereof or (iv) the sale of Permitted Investments in the ordinary course of business;

(b) sales, transfers, leases or other dispositions among the Borrower and the Domestic Subsidiary Guarantors;

(c) Investments permitted by Section 6.03, Liens permitted by Section 6.02 and Dividends permitted by Section 6.05;

(d) the sale of defaulted receivables in the ordinary course of business and not as part of an accounts receivables financing transaction not in excess of $500,000 in the aggregate;

(e) licensing and cross-licensing arrangements involving any technology or other intellectual property of any Loan Party in the ordinary course of business;

(f) sales, leases or other dispositions of inventory of any Loan Party or any subsidiary thereof determined by the management of such Loan Party to be no longer useful or necessary in the operation of the business of the Loan Parties and their subsidiaries; and

(g) sales of assets in an amount not to exceed $500,000 in the aggregate.

Notwithstanding anything to the contrary contained in this Section 6.04, (i) no sale, transfer or other disposition of assets shall be permitted by this Section 6.04 (other than sales, transfers, leases or other dispositions to Loan Parties pursuant to paragraph (c) hereof) unless such disposition is for fair market value, (ii) no sale, transfer or other disposition of assets shall be permitted by paragraph (a) of this Section 6.04 unless such disposition is for 100% cash consideration, (iii) no sale, lease, transfer or other disposition (including right of use agreements) of satellites, spare satellites, ground stations, FCC Licenses, Industry Canada Licenses, other licenses, capacity, or spectrum shall be permitted (other than as contemplated by the Agreed Budget (i.e., the AT&T Genus Plan)), (iv) the Borrower, each Domestic Subsidiary Guarantor and each Canadian Guarantor shall not engage in any Covered Transaction with any Non-Subsidiary Guarantor or any 444 Entity other than the 444 Permitted Payments.

Section 6.05. Dividends and Distributions. Declare or pay, directly or indirectly, any dividend or make any other distribution (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, with respect to any of its Equity Interests or directly or indirectly redeem, purchase, retire or otherwise acquire for value (or permit any Subsidiary to purchase or acquire) any of its Equity Interests or set aside any amount for any such purpose; provided, however, that (i) any Loan Party may declare and pay dividends to or make other distributions to the Borrower or to any other Loan Party (other than a Non-Subsidiary Guarantor) and (ii) without duplication with any Indebtedness incurred by TerreStar New York Inc. under Section 6.01(k), the Loan Parties may make distributions of no more than $200 per month to TerreStar New York Inc. the proceeds of which are used to pay the operating expenses of TerreStar New York Inc.

Section 6.06. Sale/Leasebacks. Enter into any Sale/Leaseback Transaction.

Section 6.07. Transactions with Affiliates. Except as otherwise expressly permitted herein, do any of the following: (a) except as permitted under Section 6.03(h), make any Investment in an Affiliate of any Loan Party which is not a Loan Party; (b) transfer, sell, lease, assign or otherwise dispose of any asset to (or, other than pursuant to an Acceptable Plan, assume or reject any contract, lease or other agreement with) any Affiliate of any Loan Party which is not a Loan Party; (c) except to the extent permitted by Section 6.04, merge into, amalgamate or consolidate with or purchase or acquire assets from any Affiliate of any Loan Party which is not a Loan Party; (d) repay any Indebtedness to any Affiliate of any Loan Party which is not a Loan Party; (e) pay any management fees to any Affiliate of any Loan Party that is not a Loan Party; (f) enter into any other transaction directly or indirectly with or for the benefit of any Affiliate of any Loan Party which is not a Loan Party (including guaranties and assumptions of obligations of any such Affiliate), except for in the case of this clause (f), (i) salaries and other employee compensation to officers or directors of any Loan Party commensurate with current compensation levels, in each case, to the extent contemplated by the Agreed Budget, (ii) expense requirements to directors of any Loan Party in the ordinary course of business, not to exceed $100,000 in the aggregate during the term of this Agreement, (iii) 444 Permitted Payments, (iv) the payment permitted under Section 6.03(h) and (v) the payments permitted under clause (ii) of the proviso in Section 6.05; (g) except for 444 Permitted Payments and the payment permitted under Section 6.03(h), engage in any transaction with or make any payments to TerreStar Corporation or any of its subsidiaries which are not Loan Parties, without the consent of the Required Lenders, or (h) except for the payments permitted under Section 6.03(i), engage in any transaction or make any payments to any Non-Subsidiary Guarantor or, except for 444 Permitted Payments and the payments permitted under Section 6.03(h), any 444 Entity. As used in this Section 6.07 the term "Affiliate" includes any Person who is an Affiliate on the Petition Date.

Section 6.08. Business of the Loan Parties. Notwithstanding any other provisions hereof, engage at any time in any business or business activity other than any business or business activity conducted by any of them on the Closing Date and any business or business activities incidental or reasonably related thereto.

Section 6.09. Limitation on Prepayments of Indebtedness; Modifications of Certificate of Incorporation, By-Laws and Certain Other Agreements; etc.

(a) Amend or modify in any manner adverse to the Lenders, or grant any waiver or release under or terminate in any manner (if such granting or termination shall be adverse to the Lenders), the articles or certificate of incorporation or by-laws or limited liability company operating agreement or similar constitutive document of any Loan Party or any Subsidiary thereof.

(b) Make, or agree or offer to pay or make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of any Indebtedness or any other liability of any kind or nature, in each case relating to the period prior to the Petition Date (including by way of payment of administrative expense claims arising under Section 503(b)(9) of the Bankruptcy Code), other than (i) liabilities, the payment of which are permitted under the Agreed Budget, and which may be paid pursuant to an order entered in

connection with the motions filed on the Petition Date authorizing the Loan Parties to pay certain prepetition claims or (ii) with the prior written consent of the Required Lenders.

Section 6.10. Maximum Cumulative Disbursements. Permit the aggregate amount of disbursements of the type set forth in the line item "Total Cumulative Budgeted Disbursements" in the Agreed Budget (calculated on a cumulative basis) from the Petition Date through: (a) the end of each of the first, second and third full months following the Petition Date to exceed 115% of the amount set forth in the line item "Total Cumulative Budgeted Disbursements" in the Agreed Budget and accompanying projections for each such month, (b) the end of the fourth full month following the Petition Date to exceed 110% of the amount set forth in the line item "Total Cumulative Budgeted Disbursements" in the Agreed Budget and accompanying projections for such month, and (c) any month end thereafter to exceed 105% of the amount set forth in the line item "Total Cumulative Budgeted Disbursements" in the Agreed Budget and projections for each such month.

Section 6.11. Minimum Revenues. Permit the aggregate revenues of the Loan Parties of the type set forth in the line item "Roam-in Revenue" in the Agreed Budget on (a) November 30, 2010, December 31, 2010 or January 31, 2010, to be less than 85% of the amount set forth in the line item "Roam-in Revenue" for such month in the Agreed Budget and accompanying projections or (b) the last day of each month thereafter, to be less than 90% of the amount set forth in the line item "Roam-in Revenue" for such month in the Agreed Budget and accompanying projections.

Section 6.12. Minimum Subscribers. Permit the number of subscribers on (a) November 30, 2010, December 31, 2010 or January 31, 2010, to be less than 85% of the number of subscribers on such date set forth in the line item "Subscribers" in the Agreed Budget and accompanying projections, or (b) the last day of each month thereafter, to be less than 90% of the number of subscribers on such date set forth in the line item "Subscribers" in the Agreed Budget and accompanying projections.

Section 6.13. [Intentionally Omitted].

Section 6.14. Maximum Capital Expenditures. Permit, on the last day of each calendar month, commencing on November 30, 2010, cumulative total capital expenditures (as defined in GAAP) from the Petition Date through such month end to exceed the cumulative total capital expenditures (as defined in GAAP) set forth in the line item "Budgeted Cumulative Capital Expenditures" in the Agreed Budget and accompanying projections for such time period.

Section 6.15. Phone Sales. Permit any Genus telephone handset to be sold by any Loan Party or its Affiliates for less than $769.

Section 6.16. Cash Management. Fail to maintain its cash management systems as contemplated in the Cash Management Order; provided, that the Loan Parties may make changes to the cash management systems so long as such changes individually and in the aggregate (i) are not material, (ii) are not adverse to the interests of the Lenders, (iii) do not permit transfers of funds to entities that are not Loan Parties, (iv) do not permit transfers otherwise in violation of

this Agreement. and (v) do not permit transfers to Non-Subsidiary Guarantors or, except for the 444 Permitted Payments, 444 Entities.

Section 6.17. Use of Proceeds. Use the proceeds of the Loans for any purpose other than those set forth in Section 3.12.

Section 6.18. Change of Control. Permit the occurrence of a Change in Control.

Section 6.19. Payment of Pre-Existing Claims. Pay any claims existing prior to the Petition Date (other than as both (i) provided in the Agreed Budget and (ii) as approved by the Bankruptcy Court).

Section 6.20. Material Adverse Change. Permit the occurrence of a Material Adverse Change.

Section 6.21. Claims Against PMCA Lenders or 15% Holders. Consent to or assert any claims against any Lender or the Lenders (as defined in the PMCA) or the Noteholder, Holders or Trustee (each as defined in the 15% Notes) or any agents, issuers or similar parties thereto regarding the Loans or the Prepetition Obligations which arise under sections 506(c) or 552(b) of the Bankruptcy Code, or the commencement against such entities of any actions adverse to their respective rights and remedies under the Loans, the Prepetition Obligations or any Bankruptcy Court order relating to the Loans, the Prepetition Obligations or the documents (including the Loan Documents) related thereto (it being understood and agreed that any derivative action brought by any Statutory Committee of Unsecured Creditors appointed in the Cases shall not be a breach of such covenant).

Section 6.22. Entry Into Contractual Obligations or Settlements. Enter into any contractual obligations (or series of related contractual obligations) to the extent that such contractual obligations, individually or in the aggregate, could reasonably be expected to cause the Borrower to fail to comply with the covenants set forth in Sections 6.10 through 6.13 based on the amounts set forth in the Agreed Budget in effect at the time any Loan Party enters into such contractual obligation, without the prior written consent of the Required Lenders.

Section 6.23. Restrictive Agreements, etc. Enter into, or permit any of its Subsidiaries to enter into any agreement prohibiting:

(a) the creation or assumption of any Lien upon its properties, revenues or assets, whether now owned or hereafter acquired;

(b) the ability of any Guarantor to amend or otherwise modify any Loan Document; or

(c) the ability of any subsidiary of any Loan Party to make any payments, directly or indirectly, to any other Loan Party, including by way of dividends, advances, repayments of loans, reimbursements of management and other intercompany charges, expenses and accruals or other returns on investments.

The foregoing prohibitions shall not apply to (x) restrictions in any Loan Document or (y) restrictions arising under applicable law.

Section 6.24. Super-Priority Claims. Create, incur, assume or permit to exist any administrative expense, unsecured claim, or other super-priority claim or Lien which is senior to or *pari passu* with the super-priority claims or Liens of the Secured Parties against the Loan Parties hereunder, except for the Carve-Out and as otherwise provided herein and in the DIP Order, or apply to the Bankruptcy Court for authority to do so.

Section 6.25. DIP Order. Make, permit to be made or seek any change, amendment or modification, or any application or motion for any change, amendment or modification, to the DIP Order or any other order of the Bankruptcy Court or Canadian Court (including the Initial Recognition Order or the Final Recognition Order) with respect to the Facility without the prior written consent of the Required Lenders.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.01. Events of Default. In case of the happening of any of the following events (each, an "Event of Default"):

(a) the entry of an order dismissing any of the Loan Parties' chapter 11 cases or converting any of the Loan Parties' chapter 11 cases to a chapter 7 case that, in each case, is not stayed within ten (10) days following entry;

(b) the entry of an order appointing a chapter 11 trustee in any of the Loan Parties' chapter 11 cases that, in each case, is not stayed within ten (10) days following entry;

(c) the entry of an order by the Bankruptcy Court granting any other super-priority claim or lien on the Collateral equal or superior to that granted to the Lenders;

(d) the entry of an order staying, reversing, vacating or otherwise modifying, in each case in a manner adverse to the Lenders (in the judgment of the Required Lenders) and without the prior written consent of the Required Lenders, the Loans, the Interim DIP Order, Initial Recognition Order, the Final DIP Order or the Final Recognition Order approving the Loans;

(e) the entry of an order in any of the Loan Parties' chapter 11 cases appointing an examiner having enlarged powers to operate or manage the financial affairs of the Borrower or any of the Loan Parties;

(f) following entry of the Final DIP Order or Final Recognition Order, the entry of an order in any of the Loan Parties' Cases under sections 506(c) or 552(b) of the Bankruptcy Code or under any bankruptcy or insolvency laws of Canada against any Lender regarding the Loans or the Prepetition Obligations that has a Material Adverse Effect on their respective rights and remedies under the Loans, the Prepetition Obligations or any Bankruptcy Court order;

(g) the filing of any pleading by any Loan Party seeking, or otherwise consenting to or supporting, any of the matters set forth in clauses (a) through (f) above;

(h) the failure of any Loan Party to pay principal, interest, fees or other amounts owing in connection with this Agreement and the other Loan Documents when due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise;

(i) the failure of any Loan Party to comply with any covenants contained in Article VI or the covenants in Section 5.01, Section 5.05(a) or Section 5.13;

(j) the failure of any Loan Party to perform or comply with any other term or covenant and such default shall continue unremedied for a period of ten (10) days following the earlier of (i) the date on which such Loan Party became aware of such default and (ii) the date on which notice of such failure is given by the Administrative Agent (acting at the written direction of the Required Lenders);

(k) any representation or warranty by any Loan Party shall be materially incorrect or misleading when made (provided, however, in each case if any such representation or warranty shall be subject to a qualification as to "materiality"; such qualified representation or warranty shall be true and correct in all respects as of such date);

(l) (a) the Loan Parties engaging in or supporting, or using any portion of the Loans, the Collateral, including cash collateral, to support any challenge to the validity, perfection, priority, extent or enforceability of the Loans or the Prepetition Obligations or the liens on or security interests in the assets of the Loan Parties securing the Loans or the Prepetition Obligations, including without limitation seeking to equitably subordinate or avoid the liens securing the Prepetition Obligations, or (b) the Loan Parties engaging in or supporting any investigation or their assertion of any claims or causes of action (or supporting the assertion of the same) against (x) any Lender, (y) the Lenders (as defined in the PMCA) and the Collateral Agent (as defined in the PMCA) or (z) the Noteholders or Holders (as defined in the 15% Notes) and the Trustee (as defined in the 15% Notes); provided that, making information available or otherwise responding to a Statutory Committee of Unsecured Creditors shall not be a violation of this provision; provided that the Loan Parties shall seek Bankruptcy Court approval to limit to $200,000 the amount that any Statutory Committee of Unsecured Creditors may expend in fees and expenses in investigating the foregoing solely with respect to Prepetition Obligations (as opposed to filing a claim or challenge under subparts (a) or (b) above) (it being understood and agreed that any derivative action brought by any Statutory Committee of Unsecured Creditors appointed in the Cases shall not be a breach of such covenant);

(m) (i) the entry of the Interim DIP Order shall not have occurred within three (3) days after the Petition Date or (ii) the entry of the Initial Recognition Order by the Canadian Court shall not have occurred within 13 days after entry of the Interim DIP Order;

(n) (i) the entry of the Final DIP Order shall not have occurred within 35 days after the entry of the Interim DIP Order or (ii) the entry of the Final Recognition Order by the Canadian Court shall have not occurred within 45 days after entry of the Interim DIP Order;

(o) the entry of an order by the Bankruptcy Court granting relief from or modifying the automatic stay applicable under Section 362 of the Bankruptcy Code to any holder or holders of any security interest to permit foreclosure or enforcement on any assets of any Loan Party with a value greater than $500,000;

(p) the sale of all or substantially all of the Loan Parties' assets unless consented to by the Lenders;

(q) the entry of an order terminating, or the lapsing or termination of, the exclusive periods during which only the Loan Parties' may file a plan and solicit acceptances thereto;

(r) a Change in Control;

(s) the failure to meet the Milestone Requirements by the applicable Milestone Dates (except to the extent the failure to satisfy any of the Milestone Requirements is solely caused by the action or inaction of the Initial Lender);

(t) the filing by any of the Loan Parties of any motion or proceeding which could reasonably be expected to result in material impairment of the Lenders' rights under the Loan Documents;

(u) from and after the date of entry thereof, the Interim DIP Order, the Initial Recognition Order, the Final DIP Order or the Final Recognition Order, as the case may be, shall cease to be in full force and effect (or shall have been vacated, stayed for a period in excess of three days, reversed, modified or amended);

(v) payment of or granting adequate protection with respect to prepetition claims (other than (A) as approved by the Bankruptcy Court; (B) the 15% Notes Adequate Protection, and (C) the PMCA Adequate Protection);

(w) [intentionally omitted];

(x) the issuance of any order by the Canadian Court which could reasonably be expected to result in material impairment of the Lenders' rights under the Loan Documents;

(y) the failure by any Loan Party to pay one or more final judgments or decrees involving a post-Petition Date liability aggregating in excess of $1,000,000 (to the extent not covered by insurance), which judgments are not vacated, discharged or effectively waived or stayed or bonded pending appeal within the time required by the terms of such judgment;

(z) (i) a Reportable Event or Reportable Events, other than as a result of the filing of the Cases, shall have occurred with respect to any ERISA Plan or a trustee shall be appointed by a United States district court to administer any ERISA Plan, (ii) the PBGC shall institute proceedings (including giving notice of intent thereof) to terminate any ERISA Plan or ERISA Plans, (iii) the Loan Parties or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that it has incurred or will be assessed Withdrawal Liability to such Multiemployer Plan and such person does not have reasonable grounds for contesting such

Withdrawal Liability or is not contesting such Withdrawal Liability in a timely and appropriate manner, (iv) any Loan Party or any ERISA Affiliate shall have been notified by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA or (v) the Borrower or any Subsidiary shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA, or Section 4975 of the Code) involving any ERISA Plan; and in each case in clauses (i) through (v) above, such event or condition, together with all other such events or conditions, if any, could reasonably be expected to have a Material Adverse Effect;

(aa) a Canadian Pension Event shall have occurred with respect to any Canadian Pension Plan or Canadian Union Plan, which, together with all such other Canadian Pension Events, could reasonably be expected to have a Material Adverse Effect;

(bb) (i) any Loan Document shall for any reason be asserted in writing by any Loan Party not to be a legal, valid and binding obligation of any party thereto, (ii) any Lien, security interest or super-priority claim purported to be created by the Loan Documents and the Final DIP Order in favor of the Secured Parties shall for any reason cease to be, or shall be asserted in writing by the Borrower or any other Loan Party not to be, a legal, valid and perfected security interest (perfected as having the priority required by this Agreement and the Final DIP Order and subject to such limitations and restrictions as are set forth herein and therein) in such assets in all respects, or (iii) the Obligations of the Borrower or the Guarantees by the Guarantors of the Obligations shall be invalidated or otherwise cease, or shall be asserted in writing by any Loan Party to be invalid or to cease to be legal, valid and binding obligations of the parties thereto, enforceable in accordance with their terms;

(cc) (i) the failure of the Loan Parties to file a motion to assume the Plan Support Agreement within one (1) day after the Petition Date; (ii) the failure of the Bankruptcy Court to enter an order authorizing the assumption of and/or entry into the Plan Support Agreement by the Loan Parties on or before the date that is thirty-five (35) days after the Petition Date, or (iii) the Plan Support Agreement shall have been terminated (other than solely as a result of the Initial Lender's failure to comply with its obligations thereunder) or rejected by any of the Loan Parties; or

(dd) the making of, or the entry of an order by the Bankruptcy Court approving the making of, any cash adequate protection payments with respect to any prepetition Indebtedness (other than as provided in the DIP Order or as approved by the Required Lenders).

Notwithstanding the foregoing, any Default or Event of Default which results solely from a failure of the Initial Lender to perform its obligations contemplated by the Plan Support Agreement (including with respect to its commitment to fund its participation in, as well as backstop, the rights offering) shall be deemed not to have occurred so long as such failure continues.

Section 7.02. Remedies. Upon the occurrence and continuation of an Event of Default, the Administrative Agent and the Lenders shall have all remedies available to them at law and equity, including, but not limited to the following and those set forth in Article X:

(a) upon ten (10) Business Days' written notice to the Borrower, the Statutory Committee of Unsecured Creditors, the United States Trustee and the Foreign Information Officer, the automatic stay under section 362 of the Bankruptcy Code, and any similar or corresponding stay imposed by the Canadian Court, shall be deemed lifted without further order of or application to the Bankruptcy Court or the Canadian Court, to permit the Lenders to (i) reduce or terminate outstanding Commitments, (ii) terminate the Loans, (iii) charge the default interest on the Loans, (iv) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding, and (v) subject to the Carve-Out and applicable laws relating to regulatory approvals, exercise any and all remedies under this Agreement, including without limitation to permit the Lenders to realize on all Collateral and exercise remedies under applicable law (including the UCC and the PPSA); and

(b) In any hearing before the Bankruptcy Court the only issue that may be raised by the Loan Parties and any party in interest, or considered by the Bankruptcy Court, shall be whether an Event of Default has occurred, and in every such event, and at any time thereafter during the continuance of such event, the Administrative Agent may and, at the written request of the Required Lenders, shall, upon notice to the Borrower and as otherwise required by the Final DIP Order and Final Recognition Order, declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding.

All remedies stated above or in any Loan Document are cumulative. The Administrative Agent and the Lenders shall have no obligation to marshall assets.

ARTICLE VIII

THE ADMINISTRATIVE AGENT

Section 8.01. Appointment. Each Lender hereby irrevocably designates and appoints the Administrative Agent as the agent of such Lender under this Agreement and the other Loan Documents, and each such Lender irrevocably authorizes the Administrative Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers and perform such duties as are expressly delegated to the Administrative Agent by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Administrative Agent shall not have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties,

obligations or liabilities shall be read into this Agreement or any other Loan Document or otherwise exist against the Administrative Agent; it being expressly understood and agreed that the use of the word "Administrative Agent" is for convenience only and that the Administrative Agent is merely the representative of the Lenders and only has the contractual duties set forth herein. The Administrative Agent will not be required to take any action that it reasonably determines (or in the opinion of its legal counsel) is contrary to applicable law or any provision of this Agreement or any other Loan Document or that would subject the Administrative Agent to any liability and the Administrative Agent may consult with counsel of its selection and seek the advice of such counsel in respect of its obligations hereunder and under the other Loan Documents.

Section 8.02. Delegation of Duties. The Administrative Agent may execute any of its duties under this Agreement and the other Loan Documents by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Administrative Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it, so long as such selection was made without gross negligence or willful misconduct.

Section 8.03. Exculpatory Provisions. Neither the Administrative Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates (collectively, the "Administrative Agent-Related Persons") shall be (i) liable for any lawful action taken or omitted to be taken by it or such person under or in connection with this Agreement or any other Loan Document (except to the extent that any of the foregoing are found by a final and non-appealable decision of a court of competent jurisdiction to have resulted from its or such person's own gross negligence or willful misconduct) or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by any Loan Party or any officer thereof contained in this Agreement or any other Loan Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Administrative Agent under or in connection with, this Agreement or any other Loan Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Loan Document or for any failure of any Loan Party as a party thereto to perform its obligations hereunder or thereunder. The Administrative Agent-Related Persons shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Loan Document, or to inspect the properties, books or records of any Loan Party.

To the fullest extent permitted by applicable law, no Loan Party or Lender shall assert, and each Loan Party and Lender hereby waives, any claim against the Administrative Agent, its sub-agents and their respective Affiliates in respect of any actions taken or omitted to be taken by any of them, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated herby or thereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof.

No provision of this Agreement or any other Loan Document or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby

shall require the Administrative Agent to: (i) expend or risk its own funds or provide indemnities in the performance of any of its duties hereunder or the exercise of any of its rights or power or (ii) otherwise incur any financial liability in the performance of its duties or the exercise of any of its rights or powers.

The Administrative Agent shall not be responsible for (i) perfecting, maintaining, monitoring, preserving or protecting the security interest or lien granted under this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, (ii) the filing, re-filing, recording, re-recording or continuing or any document, financing statement, mortgage, assignment, notice, instrument of further assurance or other instrument in any public office at any time or times or (iii) providing, maintaining, monitoring or preserving insurance on or the payment of taxes with respect to any of the Collateral. The actions described in items (i) through (iii) shall be the sole responsibility of the Loan Parties.

The Administrative Agent shall not be required to qualify in any jurisdiction in which it is not presently qualified to perform its obligations as Administrative Agent.

The Administrative Agent has accepted and is bound by the Loan Documents executed by the Administrative Agent as of the date of this Agreement and, as directed in writing by the Required Lenders, the Administrative Agent shall execute additional Loan Documents delivered to it after the date of this Agreement; *provided, however*, that such additional Loan Documents do not adversely affect the rights, privileges, benefits and immunities of the Administrative Agent. The Administrative Agent will not otherwise be bound by, or be held obligated by, the provisions of any credit agreement, indenture or other agreement governing the Obligations (other than this Agreement and the other Loan Documents to which the Administrative Agent is a party).

No written direction given to the Administrative Agent by the Required Lenders or the Borrower that in the sole judgment of the Administrative Agent imposes, purports to impose or might reasonably be expected to impose upon the Administrative Agent any obligation or liability not set forth in or arising under this Agreement and the other Loan Documents will be binding upon the Administrative Agent unless the Administrative Agent elects, at its sole option, to accept such direction.

The Administrative Agent shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement or the other Loan Documents arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; terrorism; wars and other military disturbances; sabotage; epidemics; riots; business interruptions; loss or malfunctions of utilities, computer (hardware or software) or communication services; accidents; labor disputes; acts of civil or military authority and governmental action.

Beyond the exercise of reasonable care in the custody of the Collateral in its possession, the Administrative Agent will have no duty as to any Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto. The Administrative Agent will be deemed to have exercised reasonable care in the custody of the Collateral in its possession if

the Collateral is accorded treatment substantially equal to that which it accords its own property, and the Administrative Agent will not be liable or responsible for any loss or diminution in the value of any of the Collateral by reason of the act or omission of any carrier, forwarding agency or other agent or bailee selected by the Administrative Agent in good faith.

The Administrative Agent will not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the Liens in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder, except to the extent such action or omission constitutes gross negligence or willful misconduct on the part of the Administrative Agent, as determined by a court of competent jurisdiction in a final, nonappealable order, for the validity or sufficiency of the Collateral or any agreement or assignment contained therein, for the validity of the title of any grantor to the Collateral, for insuring the Collateral or for the payment of taxes, charges, assessments or Liens upon the Collateral or otherwise as to the maintenance of the Collateral. The Administrative Agent hereby disclaims any representation or warranty to the present and future holders of the Obligations concerning the perfection of the Liens granted hereunder or in the value of any of the Collateral.

In the event that the Administrative Agent is required to acquire title to an asset for any reason, or take any managerial action of any kind in regard thereto, in order to carry out any fiduciary or trust obligation for the benefit of another, which in the Administrative Agent's sole discretion may cause the Administrative Agent to be considered an "owner or operator" under any environmental laws or otherwise cause the Administrative Agent to incur, or be exposed to, any environmental liability or any liability under any other federal, state or local law, the Administrative Agent reserves the right, instead of taking such action, either to resign as Administrative Agent or to arrange for the transfer of the title or control of the asset to a court appointed receiver. The Administrative Agent will not be liable to any person for any environmental liability or any environmental claims or contribution actions under any federal, state or local law, rule or regulation by reason of the Administrative Agent's actions and conduct as authorized, empowered and directed hereunder or relating to any kind of discharge or Release or threatened discharge or Release of any Hazardous Materials into the Environment.

Section 8.04. Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper person or persons and upon advice and statements of legal counsel (including counsel to the Borrower or counsel to any Lender), independent accountants and other experts selected by the Administrative Agent. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Administrative Agent. The Administrative Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Loan Document unless it shall first receive such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all Lenders) as it deems appropriate and it shall receive such security or indemnity from the Lenders as it shall require against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully

protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Lenders and all future holders of the Loans.

Section 8.05. Notice of Default. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Administrative Agent has received notice from a Lender or the Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default." In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give notice thereof to the Lenders. The Administrative Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Lenders in accordance with the terms of this Agreement (or, if so specified by this Agreement, all Lenders); provided that unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders. The Administrative Agent shall promptly provide all notices received from the Borrower or any Loan Party to the Lenders.

Section 8.06. Non-Reliance on Administrative Agent and Other Lenders. Each Lender expressly acknowledges that neither the Administrative Agent nor any of its respective officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by the Administrative Agent hereafter taken, including any review of the affairs of a Loan Party or any affiliate of a Loan Party, shall be deemed to constitute any representation or warranty by the Administrative Agent to any Lender. Each Lender represents to the Administrative Agent that it has, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their affiliates and made its own decision to make its Loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Administrative Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Loan Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Loan Parties and their Affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Administrative Agent hereunder, the Administrative Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Loan Party or any Affiliate of a Loan Party that may come into the possession of the Administrative Agent-Related Persons.

Section 8.07. Indemnification. The Lenders agree to (a) reimburse the Administrative Agent upon demand for all Lender Group Expenses (provided, however, in no event shall the Administrative Agent be required to front or go out of pocket for such expenses) incurred by the Administrative Agent (to the extent not reimbursed by any Loan Party and without limiting the

obligation of the Borrower to do so), and (b) indemnify the Administrative Agent-Related Persons (to the extent not reimbursed by any Loan Party and without limiting the obligation of the Borrower to do so), in each case in an amount equal to its pro rata share (based on the respective principal amount of its applicable outstanding Loan) thereof, from and against any and all claims, liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Administrative Agent-Related Person in any way relating to, or arising out of, the Commitments, this Agreement, any of the other Loan Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Administrative Agent-Related Person under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and non-appealable decision of a court of competent jurisdiction to have resulted from the Administrative Agent's gross negligence or willful misconduct. The agreements in this Section shall survive the payment of the Loans and all other amounts payable hereunder and the resignation or removal of the Administrative Agent.

Section 8.08. Agent in Its Individual Capacity. The Administrative Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Loan Party as though the Administrative Agent were not an Administrative Agent. With respect to its Loans made by it, the Administrative Agent shall have the same rights and powers under this Agreement and the other Loan Documents as any Lender and may exercise the same as though it were not an Administrative Agent, and the terms "Lender" and "Lenders" shall include the Administrative Agent in its individual capacity. The Lenders acknowledge that, pursuant to such activities, the Administrative Agent and its Affiliates may receive information regarding the Loan Parties and their respective Affiliates or any other Person party to any Loan Document that is subject to confidentiality obligations in favor of such Loan Party or such other Person and that prohibit the disclosure of such information to the Lenders, and the Lenders acknowledge that, in such circumstances, the Administrative Agent shall not be under any obligation to provide such information to them.

Section 8.09. Successor Administrative Agent.

(a) The Administrative Agent may be removed upon vote of the Required Lenders and such removal shall be effective when a successor is appointed and accepts the appointment. The Required Lenders shall appoint a successor agent for the Lenders, whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval (and the payment of all outstanding fees and expenses (including, but not limited to, attorneys' fees and expenses) of the removed Administrative Agent), and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans.

(b) The Administrative Agent may resign as Administrative Agent upon 45 days' notice to the Lenders and the Borrower (unless the right to receive such notice is waived by the

Lenders and the Borrower), such resignation effective upon the later of the 45th day after delivery of such notice and the date of the appointment of a successor agent. If the Administrative Agent shall resign as Administrative Agent under this Agreement and the other Loan Documents, then the Required Lenders shall appoint a successor agent for the Lenders, whereupon such successor agent shall succeed to the rights, powers and duties of the Administrative Agent, and the term "Administrative Agent" shall mean such successor agent effective upon such appointment and approval (and the payment of all outstanding fees and expenses (including, but not limited to, attorneys' fees and expenses) of the resigning Administrative Agent), and the former Administrative Agent's rights, powers and duties as Administrative Agent shall be terminated, without any other or further act or deed on the part of such former Administrative Agent or any of the parties to this Agreement or any holders of the Loans. If no successor agent has accepted appointment as Administrative Agent by the date that is 45 days following a retiring Administrative Agent's notice of resignation, the retiring Administrative Agent shall be entitled to appoint an Administrative Agent at its choosing or shall be entitled to petition a court of competent jurisdiction to appoint an Administrative Agent, which Administrative Agent must be an entity that regularly performs agency duties in credit facilities. After any retiring Administrative Agent's resignation as Administrative Agent, the provisions of this Article VIII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement and the other Loan Documents.

Section 8.10. Authority of Agent. Notwithstanding any provision in the Loan Documents to the contrary, the Administrative Agent shall obtain the approval of, and shall act solely at the direction of, the Required Lenders for all purposes herein other than those which are purely ministerial.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Notices.

(a) Notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to any Loan Party, to TerreStar Networks Inc., 12010 Sunset Hills Road, 6th Floor, Reston, VA 20190, with a copy to Akin, Gump, Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036, Attention of Ira Dizengoff and Arik Preis (Facsimile (212) 872-1002); and

(ii) if to the Administrative Agent, to The Bank of New York Mellon, 600 E. Las Colinas Blvd., Suite 1300, Irving, Texas 75039, Attention: Melinda K. Valentine, with a copy to Emmet, Marvin & Martin, LLP, 120 Broadway, New York, New York 10271, Attention of Elizabeth M. Clark, Esq.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. Each of the Administrative Agent and the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided, further, that approval of such procedures may be limited to particular notices or communications. A copy of all notices provided to the Initial Lender shall be provided to Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019, Attention of William E. Hiller, Esq. (Facsimile (212) 728-8111).

(c) All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt if delivered by hand or overnight courier service, sent by telecopy or (to the extent permitted by paragraph (b) above) electronic means or on the date five (5) Business Days after dispatch by certified or registered mail if mailed, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 9.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 9.01.

(d) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto.

Section 9.02. Survival of Agreement. All covenants, agreements, representations and warranties made by the Loan Parties herein, in the other Loan Documents and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Lenders and shall survive the making by the Lenders of the Loans and the execution and delivery of the Loan Documents, regardless of any investigation made by such persons or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any Fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid. Without prejudice to the survival of any other agreements contained herein, indemnification and reimbursement obligations contained herein (including pursuant to Sections 2.07, 2.10, 8.07 and 9.05) shall survive the payment in full of the principal and interest hereunder and the termination of this Agreement and the resignation or removal of the Administrative Agent.

Section 9.03. Binding Effect. This Agreement shall become effective when it shall have been executed by the Loan Parties hereunder, the Lenders and the Administrative Agent and when the Administrative Agent shall have received copies hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the Loan Parties, the Administrative Agent and each Lender and their respective permitted successors and assigns.

Section 9.04. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except

that (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 9.04. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section 9.04), and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more other entities (each, an "Assignee") all or a portion of its rights, Loans and obligations under this Agreement (including all or a portion of its Loans at the time owing to it and its Commitments then outstanding) without prior consent (except for any assignment to Globalstar USA, Iridium Satellite Communications or ICO Global Communications, where the consent of the Borrower must be obtained).

(ii) Assignments shall be subject to the following additional conditions:

(A) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance; and

(B) the Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) below, from and after the effective date specified in each Assignment and Acceptance, the Assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.08, 2.09, 2.10 and 9.05). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (c) of this Section 9.04.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary; provided,

however, in the case of an assignment to an Affiliate of the assigning Lender, such assignment shall be effective between such Lender and its Affiliate immediately without compliance with the conditions for assignment under this Section 9.04, but shall not be effective with respect to any other party hereto (including, but not limited to, the Administrative Agent), and each other party hereto shall be entitled to deal solely with such assigning Lender under any such assignment, in each case until the conditions for assignment under this Section 9.04 have been satisfied. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an Assignee, the Assignee's completed Administrative Questionnaire (unless the Assignee shall already be a Lender hereunder), the processing and recordation fee (consisting of the payment of a fee of $3,500 to the Administrative Agent) (which fee shall be paid by the Borrower in the event of any initial transfer by the Initial Lender to any Person of a Commitment of at least $15,000,000) referred to in paragraph (b) of this Section to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment, whether or not evidenced by a promissory note, shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph (b)(v).

(c) (i) Any Lender may, without the consent of the Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and the other Loan Documents and to approve any amendment, modification or waiver of any provision of this Agreement and the other Loan Documents; provided that (x) such agreement may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver that (1) requires the consent of each Lender directly affected thereby pursuant to this Section 9.04 or clause (i), (ii), (iii), (iv), (v) or (vi) of the first proviso to Section 9.08(b) and (2) directly affects such Participant and (y) no other agreement with respect to such Participant may exist between such Lender and such Participant. Subject to the foregoing provisions of this paragraph (c)(i) and to paragraph (c)(ii) of this Section 9.04, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.08, 2.09 and 2.10 (subject to the requirements of those Sections as if it were a Lender) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section 9.04. Subject to the foregoing provisions of this paragraph (c)(i), to the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.06 as though it were a Lender.

(ii) A Participant shall not be entitled to receive any greater payment under Section 2.08, 2.09 or 2.10 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent.

(d) Any Lender may at any time, without the consent of or notice to the Administrative Agent or the Borrower, pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section 9.04 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or Assignee for such Lender as a party hereto.

(e) The Borrower, upon receipt of written notice from the relevant Lender, agrees to issue Notes to any Lender requiring Notes to facilitate transactions of the type described in paragraph (d) above.

Section 9.05. Expenses; Indemnity.

(a) The Borrower and each other Loan Party shall jointly and severally pay all (i) reasonable, actual and documented costs and expenses of the Initial Lender and the Administrative Agent (including all reasonable, actual and documented fees, expenses and disbursements of Initial Lender's Counsel and Initial Lender's Canadian Counsel as well as counsel to the Administrative Agent) in connection with the negotiation, preparation, execution and delivery of the loan documentation and the funding of the loans under this Agreement, including, without limitation, all due diligence, transportation, computer, duplication, messenger, audit, insurance, appraisal and consultant costs and expenses, and all search, filing and recording fees, incurred or sustained by the Initial Lender and the Administrative Agent in connection with this Agreement, the other Loan Documents or the transactions contemplated thereby, the administration of the Loans and any amendment or waiver of any provision of the loan documentation and (ii) costs and expenses (including Other Taxes) of the Lenders and the Administrative Agent (including the costs of settlement and the reasonable, actual and documented fees, expenses and disbursements of one outside counsel, one Canadian counsel and one regulatory counsel for the Lenders and one outside counsel, one Canadian counsel and one regulatory counsel for the Administrative Agent) in connection with the enforcement or protection of the Lenders' rights and remedies under the Loan Documents, provided, however, that should the Required Lenders engage counsel and Canadian counsel to the Initial Lender in connection with such enforcement or protection, the Borrower and each Guarantor shall jointly and severally pay such costs with respect to Initial Lender's Counsel and Initial Lender's Canadian Counsel as well as one regulatory counsel. (collectively, the "Lender Group Expenses").

(b) Each Loan Party shall indemnify and hold harmless the Administrative Agent, each Lender and each of their respective officers, directors, employees, agents, advisors, attorneys and representatives of each (each, an "Indemnitee") from and against any and all claims, damages, losses, penalties, actions, judgments, suits, liabilities, costs, expenses and disbursements of any funds whatsoever (including, without limitation, reasonable fees and

disbursements of counsel), joint or several, that may be incurred by or asserted or awarded against any Indemnitee (including, without limitation, in connection with or relating to any investigation, litigation or proceeding or the preparation of any defense in connection therewith), in each case arising out of or in connection with or by reason of the Loans, the Loan Documents or any of the transactions contemplated thereby, or any actual or proposed use of the proceeds of the Loans, except to the extent such claim, damage, loss, penalty, action, judgment, suit, liability, cost, expense or disbursement of any funds whatsoever is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted primarily from such Indemnitee's gross negligence or willful misconduct. In the case of an investigation, litigation or other proceeding to which the indemnity in this paragraph applies, such indemnity shall be effective whether or not such investigation, litigation or proceeding is brought by any Loan Party, any director, securityholder or creditor of any Loan Party, an Indemnitee or any other person, or an Indemnitee is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated. Each Loan Party further agrees that no Indemnitee shall have any liability (whether direct or indirect, in contract, tort or otherwise) to such Loan Party or any of its securityholders or creditors for or in connection with the transactions contemplated hereby, except for direct damages (as opposed to special, indirect, consequential or punitive damages (including, without limitation, any loss of profits, business or anticipated savings)) determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted primarily from such Indemnitee's gross negligence or willful misconduct.

(c) Except as expressly provided in Section 9.05(a) with respect to Other Taxes, which shall not be duplicative with any amounts paid pursuant to Section 2.10, this Section 9.05 shall not apply to Taxes.

(d) If, for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Agreement, any of the Loan Documents or any of the other related documents, it becomes necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due under this Agreement, any of the Loan Documents or any of the other related documents in any currency other than the Judgment Currency (the "Currency Due"), then conversion shall be made at the Exchange Rate prevailing on the Business Day before the day on which judgment is given. In the event that there is a change in the Exchange Rate prevailing between the Business Day before the day on which the judgment is given and the date of receipt by Administrative Agent of the amount due, the applicable Loan Party will, on the date of receipt by Administrative Agent, pay such additional amounts, if any, or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount received by Administrative Agent on such date is the amount in the Judgment Currency which when converted at the Exchange Rate prevailing on the date of receipt by Administrative Agent is the amount then due under this Agreement, any of the Loan Documents or any of the other related documents in the Currency Due. If the amount of the Currency Due which Administrative Agent is able to purchase is less than the amount of the Currency Due originally due to it, such Loan Party shall indemnify and save Administrative Agent harmless from and against loss or damage arising as a result of such deficiency. The indemnity contained herein shall constitute an obligation separate and independent from the other obligations contained in this Agreement, the Loan Documents or any of the other related documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by Administrative Agent from time to time and shall continue in full force and effect

notwithstanding any judgment or order for a liquidated sum in respect of an amount due under this Agreement, any of the Loan Documents, any of the other related documents or under any judgment or order.

Section 9.06. Right of Set-off. If an Event of Default shall have occurred and be continuing, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other Indebtedness at any time owing by such Lender to or for the credit or the account of the Borrower or any Subsidiary against any of and all of the Obligations of the Borrower or the Subsidiary Loan Parties now or hereafter existing under this Agreement or any other Loan Document held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or such other Loan Document and although the obligations may be unmatured. The rights of each Lender under this Section 9.06 are in addition to other rights and remedies (including other rights of set-off) that such Lender may have.

Section 9.07. Applicable Law. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (OTHER THAN AS EXPRESSLY SET FORTH IN OTHER LOAN DOCUMENTS) SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK AND, AS APPLICABLE, THE BANKRUPTCY CODE, OR, WITH RESPECT TO SECURITY DOCUMENTS FROM THE CANADIAN GUARANTORS, OTHER APPLICABLE LAW TO THE EXTENT SET FORTH IN SUCH SECURITY DOCUMENT.

Section 9.08. Waivers; Amendment.

(a) No failure or delay of the Administrative Agent or any Lender in exercising any right or power hereunder or under any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any other Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any Loan Party in any case shall entitle such person to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any other Loan Document nor any provision hereof or thereof may be waived, amended or modified except (x) in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders and (y) in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by each party thereto and the Administrative Agent and consented to by the Required Lenders; provided, however, that no such agreement shall

(i) decrease or forgive the principal amount of, extend the final maturity of, decrease the rate of interest on, extend any Interest Payment Date for, reduce the amount of any Fees payable in connection with or extend the date of the payment of any Fee relating to any Loan, without the prior written consent of the Administrative Agent or each Lender directly affected thereby,

(ii) increase or extend the Commitment of any Lender without the prior written consent of such Lender (it being understood that waivers or modifications of conditions precedent, covenants, Defaults or Events of Default shall not constitute an increase in the Commitment of any Lender),

(iii) amend or modify the provisions of Section 2.11 in a manner that would by its terms alter the pro rata sharing of payments required thereby or revise the order of the allocation of prepayments, without the prior written consent of each Lender adversely affected thereby,

(iv) amend or modify the provisions of this Section 9.08 or the definition of the term "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the prior written consent of each Lender adversely affected thereby,

(v) release all or substantially all of the Collateral or release the Borrower or all or substantially all of the Loan Parties from their respective Guarantees hereunder, unless, in the case of a Loan Party, all or substantially all of the Equity Interests of such Loan Party are sold or otherwise disposed of in a transaction permitted by this Agreement, without the prior written consent of each Lender,

(vi) effect any waiver, amendment or modification of any Loan Document that would alter the relative priorities of the rights of the Secured Parties as against any other Person without the consent of each Lender, or

(vii) amend or modify the provisions of Section 9.08(d) without the prior written consent of each Lender.

provided, further, that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder without the prior written consent of the Administrative Agent acting as such at the effective date of such agreement, as applicable. Each Lender shall be bound by any waiver, amendment or modification authorized by this Section 9.08 and any consent by any Lender pursuant to this Section 9.08 shall bind any successor or assignee of such Lender.

(c) Without the consent of any Lender, the Loan Parties and the Administrative Agent may (in their respective sole discretion, or shall, to the extent required by any Loan Document) enter into any amendment, modification or waiver of any Loan Document, or enter into any new agreement or instrument, to effect the granting, perfection, protection, expansion or enhancement of any security interest in any Collateral or additional property to become Collateral for the benefit of the Secured Parties, or as required by local law to give effect to, or

protect any security interest for the benefit of the Secured Parties, in any property or so that the security interests therein comply with applicable law.

(d) No fee shall be payable to any Lender in consideration of the consent to any waiver or amendment unless each Lender shall have the opportunity to so consent and earn such fee.

Any consent, waiver or approval of Lenders or Required Lenders under any Loan Document may be given or withheld by such Lenders in their sole discretion.

Section 9.09. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the applicable interest rate, together with all fees and charges that are treated as interest under applicable law (collectively, the "Charges"), as provided for herein or in any other document executed in connection herewith, or otherwise contracted for, charged, received, taken or reserved by any Lender, shall exceed the maximum lawful rate (the "Maximum Rate") that may be contracted for, charged, taken, received or reserved by such Lender in accordance with applicable law, the rate of interest payable hereunder, together with all Charges payable to such Lender, shall be limited to the Maximum Rate; provided that such excess amount shall be paid to such Lender on subsequent payment dates to the extent not exceeding the legal limitation.

Section 9.10. Entire Agreement. This Agreement, the other Loan Documents and the agreements regarding certain Fees referred to herein constitute the entire contract between the parties relative to the subject matter hereof. Any previous agreement among or representations from the parties or their Affiliates with respect to the subject matter hereof is superseded by this Agreement and the other Loan Documents. Notwithstanding the foregoing, the Fee Letter shall survive the execution and delivery of this Agreement and remain in full force and effect. Except as expressly set forth herein, nothing in this Agreement or in the other Loan Documents, expressed or implied, is intended to confer upon any party other than the parties hereto and thereto any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

Section 9.11. Waiver of Jury Trial. **EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.11.**

Section 9.12. Severability. In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable

in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 9.13. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which, when taken together, shall constitute but one contract, and shall become effective as provided in Section 9.03. Delivery of an executed counterpart to this Agreement by facsimile transmission (or other electronic transmission pursuant to procedures approved by the Administrative Agent) shall be as effective as delivery of a manually signed original.

Section 9.14. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

Section 9.15. Confidentiality. Each of the Lenders and the Administrative Agent agrees that it shall maintain in confidence any information relating to the Loan Parties furnished to it by or on behalf of the Loan Parties (other than information that (a) has become generally available to the public other than as a result of a disclosure by such party, (b) has been independently developed by such Lender or the Administrative Agent, as applicable, without violating this Section 9.15 or (c) was available to such Lender or the Administrative Agent, as applicable, from a third party having, to such person's knowledge, no obligations of confidentiality to any Loan Party) and shall not reveal the same other than to its directors, trustees, officers, employees and advisors with a need to know or to any person that approves or administers the Loans on behalf of such Lender (so long as each such person shall have been instructed to keep the same confidential in accordance with this Section 9.15 and shall have agreed to be bound by this confidentiality clause), except: (A) to the extent necessary to comply with law or any legal process or the requirements of any Governmental Authority, the National Association of Insurance Commissioners or of any securities exchange on which securities of the disclosing party or any Affiliate of the disclosing party are listed or traded, (B) as part of the reporting or review procedures to, or examinations by, Governmental Authorities or self-regulatory authorities, including the National Association of Insurance Commissioners or the National Association of Securities Dealers, Inc., (C) to its parent companies, Affiliates or auditors (so long as each such person shall have been instructed to keep the same confidential in accordance with this Section 9.15 and shall have agreed to be bound by this confidentiality clause), (D) in order to enforce its rights under any Loan Document in a legal proceeding, and (E) to any pledgee under Section 9.04(d) or any other prospective assignee of, or prospective Participant in, any of its rights under this Agreement (so long as such person shall have been instructed to keep the same confidential in accordance with this Section 9.15 and shall have agreed to be bound by this confidentiality clause).

Section 9.16. Direct Website Communications.

(a) Delivery. (i) Each Loan Party hereby agrees that it will provide to the Administrative Agent all information, documents and other materials that it is obligated to

furnish to the Administrative Agent pursuant to this Agreement and any other Loan Document, including, without limitation, all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (A) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (B) provides notice of any Default or Event of Default under this Agreement or (C) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any borrowing hereunder (all such non-excluded communications collectively, the "Communications"), by transmitting the Communications in an electronic/soft medium in a format acceptable to the Administrative Agent. In addition, each Loan Party agrees to continue to provide the Communications to the Administrative Agent in the manner specified in this Agreement or any other Loan Document. Nothing in this Section 9.16 shall prejudice the right of the Administrative Agent or any Lender or any Loan Party to give any notice or other communication pursuant to this Agreement or any other Loan Document in any other manner specified in this Agreement or any other Loan Document.

(ii) The Administrative Agent agrees that receipt of the Communications by the Administrative Agent at its email address set forth above shall constitute effective delivery of the Communications to the Administrative Agent for purposes of the Loan Documents. Each Lender agrees that notice to it (as provided in the next sentence) specifying that the Communications have been posted to the Platform (as defined below) shall constitute effective delivery of the Communications to such Lender for purposes of the Loan Documents. Each Lender agrees (A) to notify the Administrative Agent in writing (including by electronic communication) from time to time of such Lender's email address to which the foregoing notice may be sent by electronic transmission and (B) that the foregoing notice may be sent to such email address.

(b) Posting. Each Loan Party further agrees that the Administrative Agent may make the Communications available to the Lenders by posting the Communications on Intralinks or a substantially similar electronic transmission system (the "Platform").

(c) Platform. The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the accuracy or completeness of the Communications, or the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Affiliates or any of their respective officers, directors, employees, agents, advisors or representatives (collectively, "Agent Parties") have any liability to the Loan Parties, any Lender or any other person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Loan Party's or the Administrative Agent's transmission of communications through the internet, except to the extent the liability of any Agent Party is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted primarily from such Agent Party's gross negligence or willful misconduct.

Section 9.17. Release of Liens. The Administrative Agent agrees to take such actions as are reasonably requested by the Borrower and at the Borrower's expense to terminate the Liens and security interests created by the Loan Documents when all Commitments are terminated and the Obligations are indefeasibly paid in full.

Section 9.18. USA Patriot Act. Each Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the Act.

Section 9.19. Conflicts. In the event of any conflict between the terms of this Agreement and the DIP Order, the DIP Order shall govern.

ARTICLE X

SECURITY AND GUARANTEE

Section 10.01. Security Interest.

(a) As security for all Obligations, each Obligor hereby collaterally assigns and grants to the Administrative Agent, for the benefit of the Administrative Agent and the Lenders, a continuing security interest in, Lien on and assignment of, all of the following property and assets of such Obligor, whether now owned or existing or hereafter acquired or arising, regardless of where located:

(i) all Accounts, including all credit enhancements therefor;

(ii) all contract rights, including, without limitation, all rights of such Obligor as either lessor or lessee under any lease or rental agreement of real or personal property, including, without limitation, each lease;

(iii) all chattel paper;

(iv) all documents;

(v) all instruments;

(vi) all supporting obligations and letter-of-credit rights;

(vii) all General Intangibles (including, without limitation, payment intangibles, intercompany accounts, and software) (as defined in the UCC) and all IP Collateral;

(viii) all inventory and other goods (including satellites and spare satellites and equipment used in ground stations);

(ix) all equipment and fixtures;

(x) all Investment Property (except as provided in the last sentence of this Section 10.01(a) below);

(xi) all money, cash, cash equivalents, securities, and other property of any kind;

(xii) all deposit accounts and all other credits and balances with and other claims against any financial institution;

(xiii) all notes, and all documents of title;

(xiv) all books, records, and other property related to or referring to any of the foregoing, including, without limitation, books, records, account ledgers, data processing records, computer software and other property, and General Intangibles at any time evidencing or relating to any of the foregoing;

(xv) all commercial tort claims disclosed from time to time to the Administrative Agent pursuant to the terms of this Agreement;

(xvi) all real estate owned or leased by such Obligor;

(xvii) all other personal property of such Obligor, including, subject to entry of a Final DIP Order, any avoidance actions under Chapter 5 of the Bankruptcy Code and recoveries therefrom;

(xviii) all FCC License Rights and Industry Canada License Rights, whether now owned or held or hereafter acquired or held by an Obligor, including all FCC Licenses and Industry Canada Licenses, to the fullest extent permitted by applicable law; and the right to receive monies, proceeds, or other consideration in connection with the sale, assignment, transfer, or other disposition of any FCC Licenses or Industry Canada Licenses, the proceeds from the sale of any FCC Licenses or any Industry Canada Licenses or any goodwill or other intangible rights or benefits associated therewith, including without limitation all rights of each Obligor to: (A) transfer, assign or otherwise dispose of its rights, title and interests, if any, under or in respect of such FCC Licenses or such Industry Canada Licenses, subject to any and all required FCC and/or Industry Canada approvals, (B) exercise any rights, demands and remedies against the lessor, licensor or other parties thereto, and (C) all rights of such Obligor to receive proceeds of any insurance, indemnities, warranties, guaranties or claims for damages in connection therewith; provided, that such security interest does not include at any time any FCC License or any Industry Canada License to the extent (but only to the extent) that at such time the Administrative Agent may not validly possess a security interest directly in the FCC License or Industry Canada License pursuant to applicable law, including the United States Communications Act of 1934, as amended, and the rules, regulations and policies promulgated thereunder, as in effect at such time, but such security interest does include at all times all proceeds of the FCC Licenses and Industry Canada Licenses, and the right to receive all monies, consideration and proceeds derived from or in connection with the sale, assignment, transfer, or other disposition of the FCC Licenses and Industry Canada Licenses consistent with the conditions thereof; and

(xix) all accessions to, substitutions for, and replacements, products, and proceeds of any of the foregoing, including, but not limited to, proceeds of any insurance policies, claims against third parties, and condemnation or requisition payments with respect to all or any of the foregoing.

All of the foregoing and all other property of such Obligor in which the Administrative Agent or any Lender may at any time be granted a Lien, is herein collectively referred to as the "Collateral."

(b) All of the Obligations shall be secured by all of the Collateral.

Section 10.02. Perfection and Protection of Security Interest.

(a) Each Obligor shall, as applicable, at such Obligor's expense, perform all steps reasonably requested by the Administrative Agent (acting at the written request of the Required Lenders) or the Required Lenders at any time to perfect, maintain, protect, and enforce the Administrative Agent's Liens, including: upon an Event of Default, delivering to the Administrative Agent (1) the originals of all instruments, documents, and chattel paper, and all other Collateral of which the Administrative Agent reasonably determines it should have physical possession in order to perfect and protect the Administrative Agent's security interest therein, duly pledged, endorsed, or assigned to the Administrative Agent without restriction, (2) warehouse receipts covering any portion of the Collateral located in warehouses and for which warehouse receipts are issued, (3) certificates of title (excluding deeds for real estate) covering any portion of the Collateral for which certificates of title have been issued and (4) all letters of credit on which such Obligor is named beneficiary.

(b) To the extent permitted by any legal requirement, the Administrative Agent may file, without any Obligor's signature, one or more financing statements or similar statements disclosing the Administrative Agent's Liens on the Collateral.

(c) To the extent any Obligor is or becomes the issuer of any investment property that is Collateral (in such capacity, an "Issuer"), upon the request of the Administrative Agent (acting at the written direction of the Required Lenders) each Obligor agrees as follows with respect to such investment property, but subject to the terms of any documents or agreements entered into prior to the Closing Date creating or evidencing any pre-petition Lien with respect to such Investment Property:

(i) All such Investment Property issued by such Issuer, all warrants, and all non-cash dividends and other non-cash distributions in respect thereof at any time registered in the name of, or otherwise deliverable to, any Obligor, shall be delivered directly to the Administrative Agent, for the account of such Obligor, at the Administrative Agent's address for notices set forth in herein.

(ii) Such Issuer will not acknowledge any transfer or encumbrance in respect of such investment property to or in favor of any Person other than the Administrative Agent or a Person designated by the Administrative Agent in writing.

Section 10.03. Title to, Liens on, and Use of Collateral. Each Obligor represents and warrants to the Administrative Agent and the Lenders and agrees with the Administrative Agent and the Lenders that: (a) all of the Collateral owned by such Obligor is and will (subject to dispositions permitted hereunder) continue to be owned by such Obligor free and clear of all Liens whatsoever, except for Permitted Liens, (b) the Administrative Agent's Liens in the Collateral will not be junior in priority to any prior Lien other than the Carve-Out and the Prior Liens and (c) such Obligor will use, store, and maintain the Collateral owned by such Obligor with all reasonable care. The inclusion of proceeds in the Collateral shall not be deemed to constitute the Administrative Agent's or any Lender's consent to any sale or other disposition of the Collateral except as expressly permitted herein. The security interests and Liens in favor of the Secured Parties in the Collateral shall not be subject to challenge and shall attach and become valid, legal and perfected immediately upon the entry of the DIP Order, subject to the terms and conditions set forth in the DIP Order.

Section 10.04. Proceeds of Accounts**.** If so requested by the Administrative Agent (acting at the written request of the Required Lenders) at any time after the occurrence and during the continuance of an Event of Default, the Obligors shall instruct all account debtors in respect of accounts, chattel paper and General Intangibles and all obligors on instruments to make all payments in respect thereof either: (i) directly to the Administrative Agent (by instructing that such payments be remitted to a post office box which shall be in the name and under the control of the Administrative Agent), or (ii) to one or more other banks in the United States of America (by instructing that such payments be remitted to a post office box which shall be in the name and under the control of the Administrative Agent) under arrangements, in form and substance satisfactory to the Required Lenders, pursuant to which the Obligors shall have irrevocably instructed such other bank (and such other bank shall have agreed) to remit all proceeds of such payments directly to the Administrative Agent.

Section 10.05. Delivery and Other Perfection. Each Obligor shall:

(a) give, execute, deliver, file, record, authorize or obtain all such financing statements, notices, instruments, documents, agreements or consents or other papers and take all such other actions as may be necessary or desirable and reasonably requested by the Administrative Agent (acting at the written request of the Required Lenders) to create, preserve, perfect or validate the security interest in the Collateral granted pursuant hereto under the law of Canada, the United States or a jurisdiction thereof or to enable the Administrative Agent to exercise and enforce its rights hereunder with respect to such pledge and security interest, including, without limitation, (i) (A) making filings, registrations and recordations with the U.S. Patent and Trademark Office and the U.S. Copyright Office, (B) delivery of all original certificates representing Investment Property, together with endorsements, stock powers or other appropriate instruments of transfer, duly executed or endorsed in blank, and (C) taking all such action as may be required by the PPSA or Uniform Commercial Code then in effect in any applicable jurisdiction in order to effect the same, and (ii) following the occurrence and during the continuance of an Event of Default, (A) causing any or all of the Pledged Equity to be transferred of record into the name of the Administrative Agent or its nominee (and the Administrative Agent agrees that if any Pledged Equity is transferred into its name or the name of its nominee, the Administrative Agent will thereafter promptly give to the

Obligors copies of any notices and communications received by it with respect to the Pledged Equity pledged by the Obligors hereunder) and (B) if requested by the Administrative Agent (acting at the written request of the Required Lenders), using commercially reasonable efforts to obtain any consents, authorization and approvals of the FCC and Industry Canada in connection with any transfer or disposition of any FCC License or any Industry Canada License or the equity or any issuer that owns or holds any rights with respect to any FCC License or any Industry Canada License;

(b) keep full and accurate books and records relating to the Collateral;

(c) if any Event of Default shall have occurred and be continuing, permit representatives of the Administrative Agent, upon reasonable notice, at any time during normal business hours to inspect and make abstracts from its books and records pertaining to the Collateral, and permit representatives of the Administrative Agent to be present at the Obligors' respective places of business to receive copies of all communications and remittances relating to the Collateral, and forward copies of any notices or communications received by the Obligors with respect to the Collateral, all in such manner as the Administrative Agent (acting at the written direction of the Required Lenders) may require; and

(d) execute and deliver and, subject to the execution thereof by the Administrative Agent, cause to be filed, such continuation statements, and do such other acts and things as necessary to maintain the perfection of the security interest granted pursuant hereto under the law of Canada, the United States or a jurisdiction therein.

Section 10.06. Other Financing Statements and Liens. Except as otherwise permitted under this Agreement, no Obligor shall file or suffer to be on file, or authorize or permit to be filed or to be on file, in any jurisdiction, any financing statement or like instrument with respect to the Collateral in which the Administrative Agent is not named as the sole secured party for the benefit of the Secured Parties.

Section 10.07. Preservation of Rights. The Administrative Agent shall not be required to take steps necessary to preserve any rights against prior parties to any of the Collateral.

Section 10.08. Special Provisions Relating to Certain Collateral.

(a) So long as no Event of Default shall have occurred and be continuing, the Obligors shall have the right to exercise all voting, consensual and other powers of ownership pertaining to the Pledged Equity for all purposes not inconsistent with the terms of this Agreement and the other Loan Documents. If any Event of Default shall have occurred and be continuing, the Administrative Agent (acting at the written direction of the Required Lenders) may exercise all voting, consensual and other powers of ownership pertaining to the Pledged Equity.

(b) If any Event of Default shall have occurred and be continuing, and whether or not the Lenders or the Administrative Agent exercise any available right to declare any Obligations due and payable or seek or pursue any other relief or remedy available to them under applicable law or under this Agreement or the other Loan

Documents, upon request by the Administrative Agent (acting at the written request of the Required Lenders), all dividends and other distributions on the Pledged Equity shall be paid directly to the Administrative Agent, and, if the Administrative Agent shall so request in writing (acting at the written request of the Required Lenders), the Obligors jointly and severally agree to execute and deliver to the Administrative Agent appropriate additional dividend, distribution and other orders and documents to that end, provided that if such Event of Default is cured, any such dividend or distribution theretofore paid to the Lenders shall, upon request of any Obligor (except to the extent theretofore applied to the Obligations), be returned by the Lenders (through the Administrative Agent) to the Obligors.

(d) For the purpose of enabling the Administrative Agent to exercise rights and remedies under Section 7.02 at such time as the Administrative Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, the Obligors hereby grant to the Administrative Agent or its nominee, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Obligors) to use, assign, license or sublicense any of the intellectual property Collateral now owned or hereafter acquired by the Obligors, wherever the same may be located, including in all cases with reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof.

Section 10.09. Additional Remedies During an Event of Default, Etc. During the period during which an Event of Default shall have occurred and be continuing, without limiting the rights otherwise provided in this Agreement, the other Loan Documents and applicable law:

(a) the Obligors shall, at the request of the Administrative Agent, assemble the Collateral owned by them at such place or places, reasonably convenient to the Administrative Agent and the Obligors, designated in the Administrative Agent's request;

(b) the Administrative Agent may make any reasonable compromise or settlement deemed desirable with respect to any of the Collateral and may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, any of the Collateral;

(c) the Administrative Agent shall have all of the rights and remedies with respect to the Collateral of a secured party under the New York Uniform Commercial Code and the PPSA (whether or not in effect in the jurisdiction where the rights and remedies are asserted) and such additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted, including, without limitation, the right, to the maximum extent permitted by law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if the Administrative Agent were the sole and absolute owner thereof (and the Obligors agree to take all such action as may be appropriate to give effect to such right);

(d) the Administrative Agent (acting at the written direction of the Required Lenders) may, in its name or in the name of the Obligors or otherwise, demand, sue for, collect or receive any money or property at any time payable or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so; and

(e) the Administrative Agent may, upon 10 Business Days' prior written notice to the Obligors of the time and place (which the Obligors agree constitutes reasonable prior notice), with respect to the Collateral or any part thereof which shall then be or shall thereafter come into the possession, custody or control of the Administrative Agent, the holders of the Obligations or any of their respective agents, sell, lease, assign or otherwise dispose of all or any part of such Collateral, at such place or places as the Administrative Agent (acting at the written direction of the Required Lenders) deems best, and for cash or for credit or for future delivery (without thereby assuming any credit risk), at public or private sale, without demand of performance or notice of intention to effect any such disposition or of the time or place thereof (except such notice as is required above or by applicable statute and cannot be waived), and the Administrative Agent or its nominee or any holder of any Obligation or anyone else may be the purchaser, lessee, assignee or recipient of any or all of the Collateral so disposed of at any public sale (or, to the extent permitted by law, at any private sale) and thereafter hold the same absolutely, free from any claim or right of whatsoever kind, including any right or equity of redemption (statutory or otherwise), of the Obligors, any such demand, notice and right or equity being hereby expressly waived and released. In the event of any sale, assignment, or other disposition of any of the IP Collateral, the goodwill connected with and symbolized by the IP Collateral subject to such disposition shall be included. The Administrative Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for the sale, and such sale may be made at any time or place to which the sale may be so adjourned. The proceeds of each collection, sale or other disposition under this Section 10.09, including by virtue of the exercise of the license granted to the Administrative Agent in Section 10.08(d), shall be applied in accordance with Section 10.11. The Obligors recognize that, by reason of certain prohibitions contained in the Securities Act of 1933, as amended, and applicable state securities laws, the Administrative Agent may be compelled, with respect to any sale of all or any part of the Collateral, to limit purchasers to those who will agree, among other things, to acquire the Collateral for their own account, for investment and not with a view to the distribution or resale thereof. The Obligors acknowledge that any such private sales may be at prices and on terms less favorable to the Administrative Agent than those obtainable through a public sale without such restrictions, and, notwithstanding such circumstances, agree that any such private sale shall be deemed to have been made in a commercially reasonable manner and that the Administrative Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Collateral for the period of time necessary to permit the respective issuer thereof to register it for public sale. The Administrative Agent shall not be required to marshal any present or future collateral security (including, but not limited to, this Agreement and the Collateral) for, or other assurances of payment of, the Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of the Administrative Agent's rights hereunder and in respect of such collateral security and

other assurances of payment shall be cumulative and in addition to all other rights, however existing or arising. To the extent that each Obligor lawfully may, the Obligor hereby agrees that it will not invoke any law relating to the marshalling of collateral which might cause delay in or impede the enforcement of the Administrative Agent's rights under this Agreement or under any other instrument creating or evidencing any of the Obligations or under which any of the Obligations is outstanding or by which any of the Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, the Obligor hereby irrevocably waives the benefits of all such laws. Each Obligor hereby acknowledges that if the Administrative Agent complies with any applicable state, provincial, or federal law requirements in connection with a disposition of the Collateral, such compliance will not adversely affect the commercial reasonableness of any sale or other disposition of the Collateral.

Section 10.10. Private Sale. The Administrative Agent and the Lenders shall incur no liability as a result of the sale of the Collateral, or any part thereof, at any private sale conducted in a commercially reasonable manner.

Section 10.11. Application of Proceeds. Except as otherwise herein expressly provided and except as provided below in this Section 10.11, the Proceeds of any collection, sale or other realization of all or any part of the Collateral pursuant hereto, and any other cash at the time held by the Administrative Agent under Section 7.02 or this Article X, shall be applied by the Administrative Agent:

First, to the payment of the (a) reasonable costs and expenses of such collection, sale or other realization, including reasonable out-of-pocket costs and expenses of the Administrative Agent and the reasonable fees and expenses of its agents and counsel, and all out-of-pocket expenses incurred and advances made by the Administrative Agent in connection therewith and (b) any and all outstanding fees and expenses of the Administrative Agent (including, but not limited to, attorneys' fees and expenses);

Next, to the payment in full of the Obligations, in each case equally and ratably in accordance with the respective amounts thereof then due and owing or as the Lenders holding the same may otherwise agree; and

Finally, to the payment to the respective Obligors, or their respective successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining.

Section 10.12. Attorney-in-Fact. Without limiting any rights or powers granted by this Agreement to the Administrative Agent while no Event of Default has occurred and is continuing, the Administrative Agent is hereby appointed the attorney-in-fact of the Obligors to, upon the occurrence and during the continuance of any Event of Default, carry out the provisions of this Article X and take any action and execute any instruments that the Administrative Agent (acting at the written direction of the Required Lenders) may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest; provided that, Administrative Agent shall not execute on behalf of Obligors any application or other instrument to be submitted to the FCC or Industry Canada except to the extent permitted by applicable law. Without limiting the generality of the

foregoing, so long as the Administrative Agent shall be entitled under this Article X to make collections in respect of the Collateral, the Administrative Agent shall have the right and power to receive, endorse and collect all checks made payable to the order of the Obligors representing any dividend, payment or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same.

Without limiting the foregoing, the Obligors consent that UCC or PPSA financing statements may be filed describing the Collateral as "all assets" or "all personal property" of the Obligors (provided that no such description shall be deemed to modify the description of Collateral set forth in Section 10.01).

Section 10.13. Further Assurances. Each Obligor agrees that, from time to time upon the written request of the Administrative Agent (acting at the written request of the Required Lenders), at the expense of such Obligor and, subject to the terms hereof, such Obligor will promptly execute and use commercially reasonable efforts to deliver, or otherwise authenticate, all further instruments and documents, and take all further commercially reasonable action that the Required Lenders may reasonably request in order to perfect and protect any pledge or security interest granted or purported to be granted by such Obligor hereunder or to enable the Administrative Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral of such Obligor and do such other acts and things as the Administrative Agent may reasonably request in order fully to effect the purposes of this Agreement, including, without limitation, taking any other action contemplated by this Article X. In addition, each Obligor will furnish to the Administrative Agent from time to time statements and schedules (or update any schedules and annexes hereto) further identifying and describing the Collateral of such Obligor and such other reports in connection with such Collateral as the Administrative Agent may reasonably request (acting at the written request of the Required Lenders), all in reasonable detail.

Section 10.14. Certain Regulatory Requirements.

(a) At any time after the occurrence and during the continuance of an Event of Default, each Obligor shall take all lawful action that the Administrative Agent (acting at the written direction of the Required Lenders) may reasonably request in the exercise of its rights and remedies hereunder, which include the right to require such Obligor to transfer or assign any FCC License Rights or Industry Canada License Rights held by it or any of its Subsidiaries to any party or parties to facilitate an arms'-length public or private sale for the benefit of the Lenders. In furtherance of this right, the Obligors shall (i) cooperate fully with the Administrative Agent in obtaining all approvals and consents from the FCC and Industry Canada and each other Governmental Authority and from any third parties that the Administrative Agent (acting at the written direction of the Required Lenders) may deem necessary or advisable to accomplish any such transfer or assignment, and (ii) prepare, execute and file with the FCC, Industry Canada and any other Governmental Authority any application, request for consent, certificate or instrument that the Administrative Agent (acting at the written direction of the Required Lenders) may deem necessary or advisable to accomplish any such transfer or assignment. If the Obligors fail to execute such applications, requests for consent, certificates or instruments, the clerk of any court that has jurisdiction over the Loan

Documents may, upon an ex parte request by the Administrative Agent (acting at the written direction of the Required Lenders), execute and file the same on behalf of the Obligors for purposes of placing such request before the FCC or Industry Canada, except to the extent as would not be permissible under applicable law.

(b) To enforce the provisions of Article X, the Administrative Agent is authorized to request the consent or approval of the FCC, Industry Canada or any other Governmental Authority to a voluntary or an involuntary transfer of control of the Obligors or the voluntary or involuntary assignment of any FCC License Rights and any Industry Canada Rights held by the Obligors. In connection with the exercise of its remedies under this Agreement, the Administrative Agent may obtain the appointment of a trustee or receiver to assume control of the Obligors, subject to any required prior approval of the FCC, Industry Canada or any other Governmental Authority. Such trustee or receiver shall have all rights and powers provided to it by law or by court order or provided to the Administrative Agent under this Agreement.

(c) Notwithstanding anything to the contrary contained in this Agreement, to the extent required by applicable law:

(i) the Administrative Agent will not take any action hereunder that would constitute or result in any transfer of control or assignment of the FCC Licenses or Industry Canada Licenses without obtaining all necessary FCC, Industry Canada and other Governmental Authority approvals, and all voting rights in any Collateral representing control rights in the holders of any FCC License or any Industry Canada License shall remain with the Obligors notwithstanding the occurrence of any Event of Default until such required consents of the FCC or Industry Canada, as applicable, shall have been obtained (and, in that connection, the Administrative Agent and the Lenders shall be entitled to rely on the advice of FCC counsel or Industry Canada counsel selected by the Administrative Agent (acting at the written direction of the Required Lenders) to determine whether FCC approval, Industry Canada approval or other Governmental Authority approvals are required), and

(ii) the Administrative Agent shall not foreclose on, sell, assign, transfer or otherwise dispose of, or exercise any right to control the FCC Licenses or Industry Canada Licenses as provided herein or take any other action that would affect the operational, voting, or other control of the Obligors, unless such action is taken in accordance with the provisions of the Communications Act of 1934, as from time to time amended, and the rules, regulations and policies of the FCC, Industry Canada and any other Governmental Authority.

(c) Each Obligor acknowledges that the approval of the FCC, Industry Canada and each other appropriate Governmental Authority to the assignment of the FCC License Rights and the Industry Canada License Rights is integral to the Administrative Agent's realization of the value of the Collateral, including, without limitation, the FCC Licenses and the Industry Canada Licenses, that there is no adequate remedy at law for failure by the Obligor to comply with the provisions of this Section 10.14 and that such

failure could not be adequately compensable in damages. Therefore, the Obligors agree that the provisions of this Section 10.14 may be specifically enforced, without any requirement to post bond (such rights being fully waived by Obligors) and without regard to the adequacy of any remedies available at law (the defense of the adequacy of remedies at law being fully waived by the Obligors).

Section 10.15. Agents and Attorneys-in-Fact. The Administrative Agent may employ agents and attorneys-in-fact in connection herewith and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith.

Section 10.16. No Senior Liens. To the extent that, by reason of changes in law or regulations or for any other reason Obligors may grant to Administrative Agent additional rights with respect to the FCC Licenses or Industry Canada Licenses or rights facilitating Administrative Agent's ability to foreclose upon, acquire and/or dispose of such interests upon the occurrence of an Event of Default, Obligors agree, upon notice from Administrative Agent (acting at the written direction of the Required Lenders), to amend this agreement to provide such rights or such assurance to Administrative Agent.

Section 10.17. Guarantee.

(a) In order to induce the Lenders to enter into this Agreement and to provide Loans hereunder and in recognition of the direct benefits to be received by the Guarantors from the proceeds of the Loans, each Guarantor hereby unconditionally and irrevocably, jointly and severally, guarantees as primary obligor and not merely as surety the due and punctual payment in full of the principal of and interest on the Loans and of all of the Obligations to each of the Lenders and the Administrative Agent, when and as due, whether at maturity, by acceleration or otherwise. If any or all of the Obligations of the Borrower to the Lenders or the Administrative Agent becomes due and payable hereunder, each Guarantor unconditionally promises on a joint and several basis to pay such Obligations to the Lenders or the Administrative Agent, as the case may be, or order, on demand, together with any and all expenses which may be incurred by the Administrative Agent or the Lenders in collecting any of the Obligations. Notwithstanding anything to the contrary herein or in any other Loan Document, the maximum liability of any Non-Subsidiary Guarantor under the Loan Documents shall not exceed the sum of (i)(x) the aggregate amount of funds transferred (including as dividends or loans) to any Non-Subsidiary Guarantor or any subsidiary of any Non-Subsidiary Guarantor (excluding the Borrower, the Domestic Subsidiary Guarantors and the Canadian Guarantors) after the Petition Date by the Borrower, any Domestic Subsidiary Guarantor or any Canadian Guarantor (including funds transferred pursuant to Section 6.03(h) and payments to TerreStar New York Inc. specified in Section 6.05) minus (ii) the aggregate amount of any funds contributed, loaned or otherwise paid by any Non-Subsidiary Guarantor or any subsidiary of any Non-Subsidiary Guarantor (excluding the Borrower, the Domestic Subsidiary Guarantors and the Canadian Guarantors) to the Borrower, any Domestic Subsidiary Guarantor or any Canadian Guarantor and the aggregate amount paid to the Administrative Agent or any Lender under the Loan Documents by any Non-Subsidiary Guarantor plus (y) the fees and expenses incurred by the Administrative Agent or any Lender incurred in connection with the enforcement of the obligations of such Non-Subsidiary Guarantor under the Loan Documents under Section 10.17 of the Credit Agreement; provided,

however, that the maximum liability of all Non-Subsidiary Guarantors, taken together, under the Loan Documents shall not exceed $15,000 in the aggregate at any time.

(b) Each Guarantor authorizes the Administrative Agent and the Lenders without notice or demand (except as shall be required by applicable statute and which cannot be waived), and without affecting or impairing its liability hereunder, from time to time to (a) renew, compromise, extend, increase, accelerate or otherwise change the time for payment of, or otherwise change the terms of, the Obligations or any part thereof in accordance with this Agreement, including any increase or decrease of the rate of interest thereon, (b) take and hold security from any Guarantor or any other party for the payment of this Guarantee or the Obligations and exchange, enforce, waive and release any such security and (c) apply such security and direct the order or manner of sale thereof as the Administrative Agent and the Lenders in their discretion may determine.

(c) The Obligations of each Guarantor hereunder are independent of the Obligations of any other Guarantor or the Borrower, and a separate action or actions may be brought and prosecuted against each Guarantor whether or not action is brought against any other Guarantor or the Borrower and whether or not any other Guarantor or the Borrower be joined in any such action or actions. Each Guarantor waives, to the fullest extent permitted by law, the benefit of any statute of limitations affecting its liability hereunder or the enforcement thereof. Any payment by the Borrower or other circumstances which operate to toll any statute of limitations as to the Borrower shall operate to toll the statute of limitations as to each Guarantor.

(d) Each Guarantor waives presentation to, demand for payment from and protest to the Borrower or any other Guarantor, and also waives notice of protest for nonpayment. The Obligations of the Guarantors hereunder shall not be affected by (i) the failure of the Administrative Agent or any Lender to assert any claim or demand or to enforce any right or remedy against the Borrower or any other Guarantor under the provisions of this Agreement or any other Loan Document or otherwise, (ii) any extension or renewal of any provision hereof or thereof, (iii) any rescission, waiver, compromise, acceleration, amendment or modification of any of the terms or provisions of any of the Loan Documents, (iv) the release, exchange, waiver or foreclosure of any security held by the Administrative Agent for the Obligations or any of them, (v) the failure of the Administrative Agent or any Lender to exercise any right or remedy against any other Guarantor, or (vi) the release or substitution of the Borrower or any other Guarantor.

(e) Each Guarantor further agrees that this Guarantee constitutes a Guarantee of payment when due and not just of collection, and waives any right to require that any resort be had by the Administrative Agent or any Lender to any security held for payment of the Obligations, to any other Guarantee of the Obligations or to any balance of any deposit, account or credit on the books of the Administrative Agent or any Lender in favor of the Borrower or any other Guarantor, or to any other Person.

(f) Each Guarantor hereby waives any defense that it might have based on a failure to remain informed of the financial condition of the Borrower and of any other Guarantor and any circumstances affecting the ability of the Borrower to perform under this Agreement.

(g) Each Guarantor's guarantee shall not be affected by the genuineness, validity, regularity or enforceability of the Obligations or any other instrument evidencing any Obligations, or by the existence, validity, enforceability, perfection, or extent of any collateral therefor or by any other circumstance relating to the Obligations which might otherwise constitute a defense to this Guarantee. Neither the Administrative Agent nor any of the Lenders makes any representation or warranty in respect to any such circumstances or shall have any duty or responsibility whatsoever to any Guarantor in respect of the management and maintenance of the Obligations.

(h) Subject to the provisions of Article VII, upon the Obligations becoming due and payable (by acceleration or otherwise), the Lenders shall be entitled to immediate payment of such Obligations by the Guarantors upon written demand by the Administrative Agent, without further application to or order of the Bankruptcy Court.

(i) The obligations of the Guarantors hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Obligations. Without limiting the generality of the foregoing, the obligations of the Guarantors hereunder shall not be discharged or impaired or otherwise affected by the failure of the Administrative Agent or any Lender to assert any claim or demand or to enforce any remedy under this Agreement or any other agreement, by any waiver or modification of any provision thereof, by any default, failure or delay, willful or otherwise, in the performance of the Obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of the Guarantors or would otherwise operate as a discharge of the Guarantors as a matter of law, unless and until the Obligations are paid in full.

(j) Upon payment by any Guarantor of any sums to the Administrative Agent or any Lender hereunder, all rights of such Guarantor against the Borrower arising as a result thereof by way of right of subrogation or otherwise, shall in all respects be subordinate and junior in right of payment to the prior final and indefeasible payment in full of all of the Obligations. If any amount shall be paid to such Guarantor for the account of the Borrower, such amount shall be held in trust for the benefit of the Administrative Agent and the Lenders and shall forthwith be paid to the Administrative Agent and the Lenders to be credited and applied to the Obligations, whether matured or unmatured.

[Signature Pages Follow]

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

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

By: _____
Name: Jeffrey W. Epstein
Title: President and Chief Executive Officer

MOTIENT HOLDINGS INC.
MOTIENT COMMUNICATIONS INC.
MOTIENT LICENSE INC.
MOTIENT SERVICES INC.
TERRESTAR NEW YORK INC.
MVH HOLDINGS INC.
MOTIENT VENTURES HOLDING INC.
TERRESTAR NATIONAL SERVICES, INC.
TERRESTAR LICENSE INC.,
each a debtor and debtor-in-possession, as Guarantors

By: _____
Name: Jeffrey W. Epstein
Title: President

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

By: _____
Name: Jeffrey W. Epstein
Title: Director

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

By: Jacques Leduc
Name: Jacques Leduc
Title: Chief Financial Officer

THE BANK OF NEW YORK MELLON,
as Administrative Agent and Collateral Agent

By: _____
Name: *Melinda Valentine*
Title: *Vice President*

ECHOSTAR CORPORATION,
as Lender

By: _____
Name: David J. Rayner
Title: Chief Financial Officer

EXHIBIT A

[FORM OF]
ASSIGNMENT AND ACCEPTANCE

Reference is made to the Debtor-In-Possession Credit, Security & Guaranty Agreement, dated as of October [_], 2010 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among

(i) TERRESTAR NETWORKS INC., a Delaware corporation (the "Borrower"),

(ii) MOTIENT HOLDINGS INC., a Delaware corporation, MOTIENT COMMUNICATIONS INC., a Delaware corporation, MOTIENT LICENSE INC., a Delaware corporation, MOTIENT SERVICES INC., a Delaware corporation, TERRESTAR NEW YORK INC., a New York corporation, MVH HOLDINGS INC., a Delaware corporation, and MOTIENT VENTURES HOLDING INC. a Delaware corporation (collectively the "Non-Subsidiary Guarantors"); TERRESTAR NATIONAL SERVICES, INC., a Delaware corporation, and TERRESTAR LICENSE INC., a Delaware corporation (together the "Domestic Subsidiary Guarantors");

(iii) TERRESTAR NETWORKS HOLDINGS (CANADA) INC., an Ontario corporation, TERRESTAR NETWORKS (CANADA) INC., an Ontario corporation, and 0887729 B.C. LTD, a British Columbia corporation (collectively the "Canadian Guarantors" and together with the Non-Subsidiary Guarantors, the Domestic Subsidiary Guarantors and such other guarantors from time to time party hereto, the "Guarantors"),

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

(v) THE BANK OF NEW YORK MELLON, as administrative agent and collateral agent (in such capacities, the "Administrative Agent"). Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

The Assignor identified on Schedule 1 hereto (the "Assignor") and the Assignee identified on Schedule 1 hereto (the "Assignee") agree as follows:

1. The Assignor hereby irrevocably sells and assigns to the Assignee without recourse to the Assignor, and the Assignee hereby irrevocably purchases and assumes from the Assignor without recourse to the Assignor, as of the Effective Date (as defined below), the interest described in Schedule 1 hereto (the "Assigned Interest") in and to the Assignor's rights and obligations under the Credit Agreement, in a principal amount as set forth on Schedule 1 hereto.

2. The Assignor (a) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or with respect to the execution, legality, validity,

enforceability, genuineness, sufficiency or value of the Credit Agreement, any other Loan Document or any other instrument or document furnished pursuant thereto, other than that the Assignor has not created any adverse claim upon the interest being assigned by it hereunder and that such interest is free and clear of any such adverse claim and (b) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower, any of its Affiliates or any other obligor or the performance or observance by the Borrower, any of its Affiliates or any other obligor of any of their respective obligations under the Credit Agreement or any other Loan Document or any other instrument or document furnished pursuant hereto or thereto.

3. The Assignee (a) represents and warrants that (i) it is legally authorized to enter into this Assignment and Acceptance and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement and (ii) it meets all the requirements to be an assignee under Section 9.04(b) of the Credit Agreement (subject to such consents, if any, as may be required under Section 9.04(b) of the Credit Agreement; (b) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements delivered pursuant to Section 3.05, if applicable, thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (c) agrees that it will, independently and without reliance upon the Assignor, the Administrative Agent or any Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto; (d) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers and discretion under the Credit Agreement, the other Loan Documents or any other instrument or document furnished pursuant hereto or thereto as are delegated to the Administrative Agent by the terms thereof, together with such powers as are incidental thereto; and (e) agrees that it will be bound by the provisions of the Credit Agreement and will perform in accordance with its terms all the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender including, if it is organized under the laws of a jurisdiction outside the United States, its obligation pursuant to Section 2.10(g) of the Credit Agreement.

4. The effective date of this Assignment and Acceptance shall be the Effective Date of Assignment described in Schedule 1 hereto (the "Effective Date"). Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance by it and recording by the Administrative Agent pursuant to the Credit Agreement, effective as of the Effective Date (which shall not, unless otherwise agreed to by the Administrative Agent, be earlier than five Business Days after the date of such acceptance and recording by the Administrative Agent).

5. Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts which have accrued to the Effective Date and to the Assignee for amounts which have accrued subsequent to the Effective Date.

6. From and after the Effective Date, (a) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and under the other Loan Documents and shall be bound by the provisions thereof and (b) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

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

8. This Assignment and Acceptance shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed as of the date first above written by their respective duly authorized officers on Schedule 1 hereto.

Schedule 1

to Assignment and Acceptance with respect to the Debtor-In-Possession Credit, Security & Guaranty Agreement, dated as of October [_], 2010, among

(i) TERRESTAR NETWORKS INC., a Delaware corporation (the "Borrower"),

(ii) MOTIENT HOLDINGS INC., a Delaware corporation, MOTIENT COMMUNICATIONS INC., a Delaware corporation, MOTIENT LICENSE INC., a Delaware corporation, MOTIENT SERVICES INC., a Delaware corporation, TERRESTAR NEW YORK INC., a New York corporation, MVH HOLDINGS INC., a Delaware corporation, and MOTIENT VENTURES HOLDING INC. a Delaware corporation (collectively the "Non-Subsidiary Guarantors"); TERRESTAR NATIONAL SERVICES, INC., a Delaware corporation, and TERRESTAR LICENSE INC., a Delaware corporation (together the "Domestic Subsidiary Guarantors");

(iii) TERRESTAR NETWORKS HOLDINGS (CANADA) INC., an Ontario corporation, TERRESTAR NETWORKS (CANADA) INC., an Ontario corporation, and 0887729 B.C. LTD, a British Columbia corporation (collectively the "Canadian Guarantors" and together with the Non-Subsidiary Guarantors, the Domestic Subsidiary Guarantors and such other guarantors from time to time party hereto, the "Guarantors"),

(iv) the Lenders from time to time party hereto; and

(v) THE BANK OF NEW YORK MELLON, as administrative agent and collateral agent (in such capacities, the "Administrative Agent").

Name of Assignor: _____

Name of Assignee: _____

Effective Date of Assignment: _____

Principal Amount of Loans Assigned	Commitment Percentage Assigned
$_____	___.___%

[Name of Assignee]	[Name of Assignor]
By: _____	By: _____
Title:	Title

Accepted for Recordation in the Register:

Required Consents (if any):

The Bank of New York Mellon,
as Administrative Agent

By: _____
Title:

TerreStar Networks Inc.

By: _____
Title:

Acknowledged:

EXHIBIT B

[FORM OF]
ADMINISTRATIVE QUESTIONNAIRE

LENDER ADMINISTRATIVE DETAILS

DEAL NAME: _____
FUND NAME: _____

Primary Operations Contact (for borrowings, repayments, repricings, etc):
Name:
Mailing Address:
Office Telephone:
Fax Number:
E-Mail Address:

Secondary Operations Contact:
Name:
Mailing Address:
Fax Number:
E-Mail Address:

USD Wiring Instructions: (Paydowns, Interest, Fees, etc. to be wired into this account):

Bank:
ABA#:
Account #:
For Account Name:
Reference: Deal Name/Transaction Details
Attn:

Credit Contact:
Name:
Mailing Address:
Office Telephone:
Fax Number:
E-Mail Address:

Documentation/Signatories Contact:
Name:
Mailing Address:
Office Telephone:
Fax Number:
E-Mail Address:

Compliance Contact:
Name:
Mailing Address:
Office Telephone:
Fax Number:
E-Mail Address:

Please forward admin form along with lender/fund tax form (W-8 with supporting documentation or W-9)

EXHIBIT C

[FORM OF]
INTERIM DIP ORDER

Please see attached.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
TERRESTAR NETWORKS INC., *et al.*,[1]	)	Case No. 10-15446 (SHL)
Debtors.	)	Joint Administration Requested

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)

Upon the motion, dated October 19, 2010 (the "***Motion***"), of TerreStar Networks Inc. ("***TSN***") and each of its affiliated debtors and debtors in possession (collectively, the "***Debtors***") in the above-captioned cases (the "***Cases***") commenced on October 19, 2010 (the "***Petition Date***"), for interim and final orders under sections 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e) of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (as amended, the "***Bankruptcy Code***"), and Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (as amended, the "***Bankruptcy Rules***"), and the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York (the "***Local Rules***"), seeking:

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

(I) authorization (a) for TSN (the "***Borrower***") to obtain up to $75 million (plus fees, interest and other amounts to be capitalized in accordance with the terms of the DIP Documents (defined below)) in aggregate principal amount of postpetition financing (the "***DIP Financing***") on the terms and conditions set forth in this interim order (this ***"Order"***) and that certain Debtor-In-Possession Credit, Security & Guaranty Agreement (substantially in the form annexed to the Motion as Exhibit A, and as hereafter amended, supplemented or otherwise modified from time to time, the "***DIP Agreement***";[2] and, collectively with all agreements, guaranties, collateral agreements, documents and instruments delivered or executed from time to time in connection therewith, as hereafter amended, supplemented or otherwise modified from time to time, the "***DIP Documents***"), among the Borrower, the Guarantors (as defined below), EchoStar Corporation ("***EchoStar***" or the "***Initial Lender***"), and the other lenders that may become party thereto from time to time (collectively, the "***DIP Lenders***"), and The Bank of New York Mellon, as Administrative Agent and Collateral Agent (in such capacity, the "***DIP Agent***"), and (b) for each of the Debtors other than the Borrower (the "***Guarantors***"), to jointly and severally (except as provided in section 10.17 of the DIP Agreement) guaranty on a secured basis the Borrower's obligations in respect of the DIP Financing;

(II) authorization for the Debtors to execute and deliver the DIP Agreement and the other DIP Documents and to perform such other and further acts as may be necessary or appropriate in connection therewith;

[2] Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the DIP Agreement.

(III) authorization for the Debtors to use the Cash Collateral (as defined in paragraph 3(g) below) pursuant to sections 361, 362 and 363 of the Bankruptcy Code, and all other Prepetition Collateral (as defined in paragraph 3(d) below);

(IV) to grant adequate protection to the PMCA Agent, each PMCA Lender, the 15% Notes Trustee/Agent, and the 15% Noteholders (each as defined below, and together, the "***Prepetition Secured Parties***" and, excluding the 15% Noteholders, the "***Prepetition Secured Notice Parties***") with respect to such use of Cash Collateral and any diminution in the value of the Prepetition Collateral securing the Debtors' obligations (the "***Prepetition Secured Obligations***") under or in connection with: (i) that certain Terrestar-2 Purchase Money Credit Agreement, dated as of February 5, 2008 (as amended, restated, supplemented or otherwise modified from time to time, and including any mortgage, security, pledge, control or guaranty agreements or other documentation executed in connection with the foregoing, the "***PMCA***"), among TSN, as borrower, U.S. Bank National Association, as collateral agent (in such capacity, the "***PMCA Agent***"), the guarantors party thereto from time to time, and Harbinger Capital Partners Master Fund 1, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and EchoStar, as lenders (the "***PMCA Lenders***"); and (ii) the 15.0% senior secured payment-in-kind notes due 2014 (the "***15% Notes***") issued pursuant to that certain Indenture, dated as of February 14, 2007, among TSN, as issuer, U.S. Bank National Association, as indenture trustee and collateral agent (in such capacity, the "***15% Notes Trustee/Agent***" and together with the PMCA Agent, the "***Prepetition Agent***"), and the guarantors from time to time party thereto (as amended, restated, supplemented or otherwise modified from time to time, including by that certain First Supplemental Indenture, dated as of February 7, 2008, and that certain Second Supplemental Indenture, dated as of February 7, 2008, and including any mortgage, security, pledge, control or

guaranty agreements or other documentation executed in connection with the foregoing, the "***15% Notes Indenture***" and, together with the PMCA, the "***Prepetition Loan Documents***");

(V) authorization for the DIP Agent to, subject to paragraph 8 below, upon the occurrence and continuance of an Event of Default: (a) reduce the amount of or terminate any outstanding Commitments under the DIP Agreement, (b) terminate the DIP Agreement, (c) charge the default rate of interest on the Loans, (d) declare the entirety of the Loans to be due and payable, and/or (e) subject to the Carve-Out (as defined in paragraph 6(b) below), exercise any and all remedies under applicable law (including the UCC and PPSA);

(VI) **subject to entry of the Final Order, the waiver by the Debtors of any right to seek to surcharge the DIP Collateral (as defined in paragraph 7 below) pursuant to section 506(c) of the Bankruptcy Code or any other applicable law or principle of equity, which grant constitutes an "extraordinary provision" (a "*Material Provision*") under General Order M-274 of the United States Bankruptcy Court for the Southern District of New York;**

(VII) at an interim hearing (the "***Interim Hearing***") on the Motion before this Court, pursuant to Bankruptcy Rule 4001, entry of this Order: (a) authorizing the Borrower, on an interim basis, to borrow under the DIP Agreement an aggregate principal amount, not to exceed $18 million (plus fees, interest and other amounts to be capitalized in accordance with the terms of the DIP Documents) at any time outstanding prior to the entry of the Final Order, (b) authorizing the Debtors, on an interim basis, to use the Cash Collateral and the other Prepetition Collateral, and (c) granting, on an interim basis, adequate protection to the Prepetition Secured Parties; and

(VIII) scheduling, pursuant to Bankruptcy Rule 4001, a final hearing (the "***Final Hearing***") for this Court to consider entry of a final order, substantially in the form attached to the DIP Agreement as Exhibit D (the "***Final Order***"), authorizing and approving on a final basis the relief requested in the Motion, including without limitation, for the Borrower on a final basis to utilize the DIP Financing and for the Debtors to continue to use the Cash Collateral and the other Prepetition Collateral subject to the terms of the DIP Documents and the Final Order.

The Interim Hearing having been held by this Court on October 20, 2010, and upon the record made by the Debtors at the Interim Hearing, including, without limitation, the admission into evidence of (i) the First Day Declaration, (ii) the Epstein DIP Declaration, and (iii) Zelin Declaration (each as defined in the Motion), each of which was filed on the Petition Date, and the other evidence submitted or adduced and the arguments of counsel made at the Interim Hearing and after due deliberation and consideration and sufficient cause appearing therefor;

IT IS FOUND, DETERMINED, ORDERED AND ADJUDGED, that:

1. *Jurisdiction/Venue*. This Court has core jurisdiction over the Cases, this Motion, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. *Notice*. Based upon the Debtors' representations, notice of the Motion and the relief requested therein, and the relief requested at the Interim Hearing was served by the Debtors by electronic mail, facsimile, or overnight mail to: (a) the Office of the United States Trustee for the Southern District of New York (the "***U.S. Trustee***"); (b) the entities listed on the Consolidated List of Creditors Holding the 30 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) The Bank of New York Mellon as agent for the Debtors' proposed

postpetition debtor-in-possession financing; (d) Emmet, Marvin & Martin LLP as counsel to the agent for the Debtors' proposed postpetition debtor-in-possession financing; (e) U.S. Bank National Association as Collateral Agent for the Debtors' purchase money credit facility and Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and EchoStar Corporation as Lenders thereunder; (f) Weil, Gotshal & Manges LLP as counsel to Harbinger Capital Partners Master Fund I, Ltd. and Harbinger Capital Partners Special Situations Fund, L.P. in their capacity as Lenders under the Debtors' purchase money credit facility; (g) Willkie Farr & Gallagher LLP as counsel to EchoStar Corporation in its capacity as Lender under the Debtors' purchase money credit facility and Initial Lender under the Debtors' proposed postpetition debtor-in-possession financing; (h) U.S. Bank National Association as Indenture Trustee for the Debtors' 15% Senior Secured Notes; (i) U.S. Bank National Association as Indenture Trustee for the Debtors' 6.5% Senior Exchangeable Notes; (j) Quinn Emanuel Urquhart & Sullivan, LLP as counsel to an Ad Hoc group of the Debtors' 6.5% Senior Exchangeable Notes; (k) the Internal Revenue Service; (l) the Securities and Exchange Commission; (m) the United States Attorney for the Southern District of New York; and (n) the Federal Communications Commission. Under the circumstances, the notice provided of the Motion, the relief requested therein and the Interim Hearing constitutes due and sufficient notice thereof, complies with Bankruptcy Rules 4001(c) and (d) and the Local Rules, and no further notice of the relief sought at the Interim Hearing and the relief granted herein is necessary or required.

3. *Debtors' Stipulations*. Subject to the limitations contained in paragraph 16 below, the Debtors admit, stipulate, and agree that:

(a) as of the Petition Date, certain of the Debtors were justly and lawfully indebted and liable, without defense, counterclaim or offset of any kind, to the PMCA Lenders, in the amount of not less than $85.9 million of principal and accrued interest (such obligations, in addition to the obligations described below, the "***Prepetition PMCA Obligations***"), in respect of loans or other financial accommodations made by the PMCA Lenders pursuant to, and in accordance with the terms of, the PMCA, plus, in each case, accrued and unpaid interest thereon and costs and expenses and other obligations owing under the PMCA;

(b) as of the Petition Date, certain of the Debtors were justly and lawfully indebted and liable, without defense, counterclaim or offset of any kind, to the holders of 15% Notes (the "***15% Noteholders***"), in the amount of not less than $943.9 million of principal and accrued interest (such obligations, in addition other obligations described below in this paragraph, the "***Prepetition 15% Notes Obligations***" and, together with the Prepetition PMCA Obligations the "***Prepetition Obligations***"), in respect of loans or other financial accommodations made by the 15% Noteholders pursuant to, and in accordance with the terms of, the 15% Notes Indenture, plus, in each case, accrued and unpaid interest thereon and costs and expenses and other obligations owing under the 15% Notes Indenture;

(c) the liens and security interests granted to the PMCA Agent to secure the Prepetition PMCA Obligations (the "***PMCA Liens***") are (i) valid, binding, perfected, enforceable, first priority (subject to permitted exceptions under the PMCA) liens on and security interests in the personal and real property constituting "Collateral" under, and as defined in, the PMCA (including Cash Collateral, the "***PMCA Collateral***"), (ii) not subject to objection, defense, counterclaim, offset, contest, attachment, avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law, and (iii) subject and

subordinate only to valid, perfected and unavoidable liens permitted under the PMCA to the extent such permitted liens are senior to the liens securing the PMCA (the "***PMCA Permitted Prepetition Liens***") and the Carve-Out (as defined in paragraph 6(b) below);

(d) the liens and security interests granted to the 15% Notes Trustee/Agent to secure the Prepetition 15% Notes Obligations (the "***15% Notes Liens***" and, together with the PMCA Liens, the "***Prepetition Secured Party Liens***") are (i) valid, binding, perfected, enforceable, first priority (subject to permitted exceptions under the 15% Notes Indenture) liens on and security interests in the personal and real property constituting "Collateral" under, and as defined in, the 15% Notes Indenture (including Cash Collateral, the "***15% Notes Collateral***" and, together with the PMCA Collateral, the "***Prepetition Collateral***"), (ii) not subject to objection, defense, counterclaim, offset, contest, attachment, avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law, and (iii) subject and subordinate only to valid, perfected and unavoidable liens permitted under the 15% Notes Indenture to the extent such permitted liens are senior to the liens securing the Prepetition 15% Notes Obligations (the "***15% Notes Permitted Prepetition Liens***" and, together with the PMCA Permitted Prepetition Liens, the "***Permitted Prepetition Liens***") and the Carve-Out;

(e) the Prepetition Obligations constitute the legal, valid and binding obligations of the Debtors, enforceable in accordance with their terms (other than in respect of the stay of enforcement arising under section 362 of the Bankruptcy Code);

(f) (i) no portion of the Prepetition Obligations shall be subject to objection, defense, counterclaim, offset, avoidance, recharacterization, recovery or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law, and (ii) the Debtors do not have, and hereby forever release, any claims (as defined in section 101(5) of the Bankruptcy Code),

counterclaims, causes of action, defenses, setoff or recoupment rights, whether arising under the Bankruptcy Code or applicable nonbankruptcy law, against the Prepetition Secured Parties and their respective affiliates, subsidiaries, agents, officers, directors, employees, attorneys and advisors, in each case, solely in their capacity as Prepetition Secured Parties; and

(g) a portion of the Debtors' cash constitutes Prepetition Collateral and, therefore, is cash collateral of the Prepetition Secured Parties within the meaning of section 363(a) of the Bankruptcy Code (the "***Cash Collateral***").

4. *Findings Regarding the DIP Financing.* The Court is satisfied based upon the Debtors' representations that:

(a) The Debtors have an immediate need to obtain the DIP Financing and to use the Prepetition Collateral, including any Cash Collateral, in order to, among other things, permit the orderly continuation of their businesses, preserve the going concern value of the Debtors, pay the costs of administration of their estates and for the other purposes set forth in the DIP Documents. The Debtors' use of the Prepetition Collateral (including the Cash Collateral) and the DIP Financing is necessary to ensure that the Debtors have sufficient working capital and liquidity to preserve and maintain the going concern value of the Debtors' estates. Good cause has, therefore, been shown for entry of this Order.

(b) The Debtors are unable to obtain financing on more favorable terms from sources other than the DIP Lenders pursuant to, and for the purposes set forth in, the DIP Documents and are unable to obtain adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense. The Debtors are also unable to obtain secured credit allowable under sections 364(c)(1), 364(c)(2) and 364(c)(3) of the Bankruptcy Code without the Debtors granting to the DIP Agent for the benefit of itself and the DIP Lenders,

subject to the Carve-Out, (i) the DIP Liens (as defined in paragraph 7 below), including the priming DIP Liens described in paragraph 7(b) below, and (ii) the Superpriority Claims (as defined in paragraph 6(a) below), in each case on the terms and conditions set forth in this Order and the DIP Documents. Specifically, no party or parties other than the DIP Lenders would provide postpetition financing to the Debtors absent the Debtors granting such parties priming liens on the Debtors' assets pursuant to section 364(d)(1) of the Bankruptcy Code, and the Debtors were unable to satisfy the requirements of section 364(d)(1) of the Bankruptcy Code.

(c) The terms of the DIP Documents and the use of the Prepetition Collateral (including the Cash Collateral) pursuant to this Order and the DIP Agreement reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties. The Debtors will receive and have received fair and reasonable consideration in exchange for access to the DIP Financing and all other financial accommodations provided under the DIP Documents and this Order.

(d) The DIP Documents and the terms and conditions of the Debtors' use of the Prepetition Collateral (including the Cash Collateral) have been the subject of negotiations conducted in good faith and at arm's length among the Debtors, the DIP Agent, the DIP Lenders, the Prepetition Agent and the PMCA Lenders, and all of the Debtors' obligations and indebtedness arising under or in connection with the DIP Financing, including without limitation, (i) all Loans made to, and guaranties issued by, the Debtors pursuant to the DIP Agreement, (ii) the Debtors' obligation to pay all reasonable costs and expenses of (a) the Initial Lender (including all reasonable, actual and documented fees, expenses and disbursements of the Initial Lender's counsel and financial advisors, i.e., Willkie Farr & Gallagher LLP, Sullivan & Cromwell LLP, Goodmans LLP, Steptoe & Johnson LLP, and Lazard Ltd., and (b) the DIP

Agent (including all reasonable, actual and documented fees, expenses and disbursements of the DIP Agent's counsel, i.e., Emmet, Marvin & Martin, LLP) in connection with the preparation, execution and delivery of the DIP Agreement and the funding of the DIP Financing, and (iii) all other obligations (including, without limitation, indemnification and fee obligations) of the Debtors under the DIP Documents and this Order now or hereafter owing to the DIP Agent or any DIP Lender (collectively, (i), (ii) and (iii), the "***DIP Obligations***") shall be deemed to have been extended by the DIP Agent and the DIP Lenders in "good faith" as such term is used in section 364(e) of the Bankruptcy Code, and in express reliance upon the protections set forth therein, and shall be entitled to the full protection of section 364(e) of the Bankruptcy Code, in the event that this Order or any provision hereof is vacated, reversed or modified on appeal or otherwise.

(e) The Debtors have requested immediate entry of this Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2) and Local Rule 4001-2. Absent the interim relief set forth in this Order, the Debtors' estates will be immediately and irreparably harmed. Consummation of the DIP Financing and authorization of the use of the Prepetition Collateral (including the Cash Collateral) in accordance with this Order and the DIP Documents are, therefore, in the best interest of the Debtors' estates and are consistent with the Debtors' fiduciary duties.

5. *Authorization Of The DIP Financing And The DIP Documents.*

(a) The Debtors are hereby authorized, without stockholder, member or board of directors (or similar body) approval, to enter into and perform their obligations under the DIP Documents and, in the case of (i) the Borrower, to borrow thereunder up to an aggregate principal amount of $18 million (plus fees, interest and other amounts to be capitalized in

accordance with the terms of the DIP Documents) for working capital and other general corporate purposes of the Debtors and to pay interest, fees and all other expenses provided for in the DIP Documents, pending entry of the Final Order, all in accordance with the terms of this Order, the DIP Agreement and the other DIP Documents, and (ii) the Guarantors, to jointly and severally (except as provided in section 10.17 of the DIP Agreement) guaranty such borrowing and all other DIP Obligations.

(b) The Debtors are authorized to use the proceeds of borrowings under the DIP Agreement and Cash Collateral in accordance with and to the extent permitted by the DIP Documents.

(c) On an interim basis, in furtherance of the foregoing and without further approval of this Court, each Debtor is authorized, and the automatic stay imposed by section 362 of the Bankruptcy Code is hereby lifted to the extent necessary, to perform all acts and to execute and deliver all instruments and documents that the DIP Agent or the Initial Lender determines to be reasonably required or necessary for the Debtors' performance of their obligations under the DIP Documents, including without limitation:

(i) the execution, delivery and performance of the DIP Documents;

(ii) the execution, delivery and performance of one or more amendments, waivers, consents or other modifications to and under the DIP Documents, in each case in such form as the Debtors, the DIP Agent and the requisite DIP Lenders may agree, and no further approval of this Court shall be required for immaterial amendments, waivers, consents or other modifications to and under the DIP Documents (and any fees paid in connection therewith) that do not (A) shorten the maturity of the Loans or (B) increase the Commitments or the rate of interest payable on the Loans under the DIP Agreement; provided, that a copy of any

amendment, waiver, consent or other modification to the DIP Documents shall be provided by the Debtors to (X) the U.S. Trustee, (Y) counsel to any statutory committee of unsecured creditors appointed in the Cases (the "***Committee***"), if any and (Z) counsel to the Prepetition Secured Notice Parties;

(iii) the non-refundable payment to the DIP Agent, its affiliates and the DIP Lenders, as the case may be, of (A) the fees set forth in the DIP Documents (including, without limitation, the fees provided for in the Fee Schedule, dated October 7, 2010, between the Borrower and the DIP Agent) and (B) such reasonable, actual, and documented costs and expenses as may be due from time to time under the DIP Documents, all as provided in the DIP Documents and all of which constitute DIP Obligations; and

(iv) the performance of all other acts required under or in connection with the DIP Documents.

(d) Upon execution and delivery of the DIP Documents, the DIP Documents shall constitute valid and binding obligations of the Debtors, enforceable against the Debtors in accordance with the terms of this Order and the DIP Documents, without the need for approval by any equity holder, member, or board of directors (or similar body) of any Debtor. No obligation, payment, transfer or grant of security under the DIP Documents or this Order shall be stayed, voidable, avoidable or recoverable under the Bankruptcy Code or under any applicable nonbankruptcy law (including without limitation, under sections 502(d), 548 or 549 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law), or subject to any defense, reduction, setoff, recoupment or counterclaim.

(e) The Debtors have provided the DIP Lenders with the 13-week cash flow projection annexed hereto as Exhibit A (the "***Initial 13-Week Projection***"). On a bi-weekly basis, the Debtors will provide the DIP Agent and DIP Lenders with an updated cash flow projection for the following 13 weeks.

6. *Superpriority Claims.*

(a) Pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed senior administrative expense claims (the "***Superpriority Claims***") against the Debtors and, except to the extent expressly set forth in this Order in respect of the Carve-Out, such Superpriority Claims shall have priority over any and all administrative expenses, adequate protection claims and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever, including without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546, 726, 1113 or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, which allowed claims shall for purposes of section 1129(a)(9)(A) of the Bankruptcy Code be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, and which Superpriority Claims shall be payable from and have recourse to all prepetition and postpetition property of the Debtors and all proceeds thereof. For the avoidance of doubt, the DIP Obligations of any Non-Subsidiary Guarantor shall be limited to the extent set forth in section 10.17(a) of the DIP Agreement.

(b) For purposes hereof, the "***Carve-Out***" shall mean: (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee under

section 1930(a) of title 28 of the United States Code; (ii) fees and expenses up to $50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code; (iii) with respect to the information officer (the "***Information Officer***") to be appointed by the Canadian Court in connection with the proceedings commenced pursuant to the Companies' Creditors Arrangement Act (Canada) R.S.C. 1985, c. C-36 as amended in the Ontario Superior Court of Justice (Commercial List) in Toronto, Ontario, Canada (the "***Canadian Proceedings***"), all fees and expenses required to be paid to the Information Officer in connection with the Canadian Proceedings, including to the extent secured by the charge to be granted by the Canadian Court over the Debtors' assets in Canada, in the maximum amount of CDN $125,000, to secure payment of any such fees and expenses of the Information Officer; and (iv) after the occurrence and during the continuance of an Event of Default under the DIP Documents, the payment of allowed professional fees and disbursements incurred by the Debtors or the Committee after the occurrence of the Event of Default not in excess of $800,000 (plus all unpaid professional fees and expenses allowed by this Court that were incurred prior to the occurrence of such Event of Default); provided that (X) the Carve-Out shall not be available to pay any such professional fees and expenses incurred in connection with the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the DIP Agent, the DIP Lenders, or the Prepetition Secured Parties or liens and claims held by DIP Agent, the DIP Lenders, the Prepetition Secured Parties, (Y) so long as no Event of Default shall have occurred and be continuing, the Carve-Out shall not be reduced by the payment of fees and expenses allowed by this Court under sections 328, 330 and 331 of the Bankruptcy Code, and (Z) nothing in this Order shall impair the right of any party to object to the reasonableness of any such fees or expenses to be paid by the Debtors' estates.

7. *DIP Liens*. As security for the DIP Obligations, effective and perfected upon the date of this Order and without the necessity of the execution by the Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, mortgages or other similar documents, or the possession or control by the DIP Agent of any property, the following security interests and liens are hereby granted to the DIP Agent, for its own benefit and the benefit of the DIP Lenders (all property identified in clauses (a), (b) and (c) below being collectively referred to as the "***DIP Collateral***"), subject only to the Carve-Out (all such liens and security interests granted to the DIP Agent, for its benefit and for the benefit of the DIP Lenders, pursuant to this Order and the DIP Documents, the ***"DIP Liens"***):

(a) *First Lien on Unencumbered Property*. Pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority lien on, and security interest in, all tangible and intangible prepetition and postpetition property in which the Debtors have an interest, whether existing on or as of the Petition Date or thereafter acquired, that is not subject to valid, perfected, non-avoidable and enforceable liens in existence on or as of the Petition Date (collectively, and excluding any property that is excluded from the definition of "Collateral" in section 10.01 of the DIP Agreement, the "***Unencumbered Property***"), including without limitation, any and all unencumbered cash, accounts receivable, other rights to payment, inventory, general intangibles, contracts, securities, chattel paper, owned real estate, real property leaseholds, fixtures, machinery, equipment, deposit accounts, patents, copyrights, trademarks, tradenames, rights under license agreements and other intellectual property, instruments, investment property, goods, satellites, spare satellites, ground stations, commercial tort claims, proceeds from the disposition of Federal Communications Commission

and/or Industry Canada licenses (and the Federal Communications Commission and/or Industry Canada licenses themselves, to the fullest extent permitted by applicable law), books and records, in each case, wherever located, and the proceeds, products, rents and profits of all of the foregoing.

(b) *Liens Junior to Certain Existing Liens*. Pursuant to section 364(c)(3) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected lien on, and security interest in, all tangible and intangible prepetition and postpetition property in which the Debtors have an interest, whether now existing or hereafter acquired and all proceeds thereof, that is subject to the Prepetition Secured Party Liens or the Permitted Prepetition Liens, which security interest and lien shall be junior to (i) the Prepetition Secured Party Liens and the Permitted Prepetition Liens (but only to the extent such liens secure valid and enforceable Prepetition Secured Obligations), and (ii) the Carve-Out, but senior to all other liens.

(c) *Liens Priming TSN Secured Party Liens.* Pursuant to section 364(d)(1) of the Bankruptcy Code, and based upon the consent of the TSN Secured Party (as defined below), a valid, binding, continuing, enforceable, fully-perfected, priming lien on, and security interest in, all now existing or hereafter acquired property of TerreStar Networks (Canada) Inc. that constitutes "Collateral" (as defined in the TSN Security Agreement (defined below)) (the "***TSN Collateral***") under that certain Second Amended and Restated Security Agreement, dated August 11, 2009, as amended, by and between TerreStar Networks Inc., as Secured Party (the "***TSN Secured Party***"), and TerreStar Canada Inc., as Obligor (the "***TSN Security Agreement***"). The DIP Liens on the TSN Collateral shall be senior in all respects to the security interests in, and liens on, the TSN Collateral of the TSN Secured Party (the "***TSN Security Agreement Liens***"),

but shall be junior to: (a) the 15% Notes Permitted Prepetition Liens; (b) the 15% Notes Liens; and (c) the Carve-Out.

(d) *Liens Senior to Certain Other Liens.* The DIP Liens and the Adequate Protection Liens (as defined in paragraph 12(a) below) shall not be (i) subject or subordinate to (A) any lien or security interest that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or (B) any liens arising after the Petition Date, including without limitation, any liens or security interests granted in favor of any federal, state, municipal or other governmental unit, commission, board or court for any liability of the Debtors or (ii) subordinated to or made *pari passu* with any other lien or security interest (other than the Permitted Prepetition Liens, the Prepetition Secured Party Liens, and the Carve-Out) under sections 363 or 364 of the Bankruptcy Code or otherwise.

8. *Remedies After Event of Default.* The automatic stay under section 362 of the Bankruptcy Code is vacated and modified to the extent necessary to permit the DIP Agent and the DIP Lenders to exercise, (i) immediately upon the occurrence and during the continuance of an Event of Default, all rights and remedies under the DIP Documents, other than those rights and remedies against the DIP Collateral as provided in clause (ii) below, and (ii) upon the occurrence and during the continuance of an Event of Default, and the giving of ten (10) days' prior written notice to the Debtors, with a copy to counsel for the Debtors, counsel to the Committee (and, if no Committee is formed, the Debtors' largest thirty (30) unsecured creditors on a consolidated basis), counsel to the Prepetition Secured Notice Parties and to the U.S. Trustee, all rights and remedies against the DIP Collateral provided for in the DIP Documents and this Order. In any hearing regarding any exercise of rights or remedies, the only issue that may be raised by any party in opposition thereto shall be whether, in fact, an Event of Default

has occurred and is continuing. The DIP Agent's or any DIP Lender's delay or failure to exercise rights and remedies under the DIP Documents or this Order shall not constitute a waiver of the DIP Agent's or the DIP Lenders' rights hereunder, thereunder or otherwise, unless any such waiver is pursuant to a written instrument executed in accordance with the terms of the applicable DIP Documents.

9. *Limitation on Charging Expenses Against Collateral*. Subject to and effective upon entry of the Final Order, except to the extent of the Carve-Out with respect to the DIP Collateral and the Prepetition Collateral, no expenses of administration of the Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Collateral or the Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law or in equity, without the prior written consent of the DIP Agent and the Prepetition Agent, and no such consent shall be implied from any other action or inaction by the DIP Agent, the DIP Lenders, or the Prepetition Secured Parties.

10. *Payments Free and Clear*. Any and all payments or proceeds remitted to the DIP Agent on behalf of the DIP Lenders or the Prepetition Agent on behalf of the Prepetition Secured Parties pursuant to the provisions of this Order or any subsequent order of this Court shall be received free and clear of any claim, charge, assessment or other liability.

11. *Use of Prepetition Collateral (including Cash Collateral).* The Debtors are hereby authorized to use the Prepetition Collateral, including the Cash Collateral, during the period from the Petition Date through and including the Termination Date under the DIP Agreement for, among other things, working capital and general corporate purposes in

accordance with the terms and conditions of this Order and the DIP Documents; provided that the Prepetition Secured Parties are granted adequate protection as hereinafter set forth.

12. *Adequate Protection*. The Prepetition Secured Parties are entitled, pursuant to sections 105, 361, 363 and 364 of the Bankruptcy Code, to adequate protection of their interests in the Prepetition Collateral, including Cash Collateral, in an amount equal to the aggregate diminution in value of the Prepetition Secured Parties' security interests in the Prepetition Collateral, including without limitation, any such diminution resulting from the sale, lease or use by the Debtors (or other decline in value) of any Prepetition Collateral, including the Cash Collateral, and the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (such diminution in value, the "***Adequate Protection Obligations***"). As adequate protection, the Prepetition Secured Parties are hereby granted the following (the "***Adequate Protection***"):

(a) *Adequate Protection Liens*.

(i) As security for the payment of the Adequate Protection Obligations with respect to the PMCA, the PMCA Agent (for itself and for the benefit of the PMCA Lenders) is hereby granted (effective and perfected upon the date of this Order and without the necessity of the execution by the Debtors of security agreements, pledge agreements, mortgages, financing statements or other agreements) a valid, perfected replacement security interest in and lien on the PMCA Collateral (the "***PMCA Adequate Protection Lien***"), subject and subordinate only to (A) the Permitted Prepetition Liens, (B) Prepetition Secured Party Liens, (C) the DIP Liens, and (D) the Carve-Out, and senior to all other liens (including, without limitation, the TSN Liens).

(ii) As security for the payment of the Adequate Protection Obligations with respect to the 15% Notes, the 15% Notes Trustee/Agent (for itself and for the benefit of the 15% Noteholders) is hereby granted (effective and perfected upon the date of this Order and without the necessity of the execution by the Debtors of security agreements, pledge agreements, mortgages, financing statements or other agreements): (A) a valid, perfected replacement security interest in and lien on the 15% Notes Collateral, and (B) a non-avoidable, valid, enforceable and perfected security interest in and lien on all of the DIP Collateral not included in (A) above (collectively, (A) and (B), the "***15% Notes Adequate Protection Liens***" and together with the PMCA Adequate Protection Lien, the "***Adequate Protection Liens***"), each of which shall be subject and subordinate only to (W) the Permitted Prepetition Liens, (X) Prepetition Secured Party Liens, (Y) the DIP Liens, and (Z) the Carve-Out, and senior to all other liens (including, without limitation, the TSN Liens).

(b) *Section 507(b) Claims*. The Adequate Protection Obligations shall constitute superpriority claims as provided in section 507(b) of the Bankruptcy Code (the "***507(b) Claims***"), with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including without limitation, sections 326, 328, 330, 331, 503(b), 506(c), 507(a), 726, 1113 and 1114 of the Bankruptcy Code, subject and subordinate only to (i) the Carve-Out and (ii) the Superpriority Claims granted in respect of the DIP Obligations. Except to the extent expressly set forth in this Order or the Final Order, the Prepetition Secured Parties shall not receive or retain any payments, property or other amounts in respect of the 507(b) Claims unless and until all DIP Obligations shall have indefeasibly been paid in full in cash and the Commitments have been terminated.

(c) *Fees and Expenses*. The Prepetition Agent shall receive from the Debtors reimbursement of all reasonable, actual and documented fees and expenses incurred or accrued by the Prepetition Agent under and pursuant to the Prepetition Loan Documents, including, without limitation, the reasonable, actual and documented fees and disbursements of counsel to the Prepetition Agent, whether incurred or accrued prior to or after the Petition Date. None of the fees and expenses payable pursuant to this paragraph 12(c) shall be subject to separate approval by this Court (but this Court shall resolve any dispute as to the reasonableness of any such fees and expenses), and no recipient of any such payment shall be required to file any interim or final fee application with respect thereto. Subject to any *bona fide* dispute as to the reasonableness of such fees and expenses, the Debtors shall pay the reasonable, actual and documented fees and expenses provided for in this paragraph 12(c) promptly (but no later than ten (10) business days) after invoices for such fees and expenses shall have been submitted to the Debtors, and the Debtors shall promptly provide copies of such invoices to the Committee (if any) and the U.S. Trustee.

(d) *Information*. The Debtors shall promptly provide to the Prepetition Agent any written financial information or periodic reporting that is provided to, or required to be provided to, the DIP Agent or the DIP Lenders (or their advisors) and shall continue to provide to the Prepetition Agent and the Prepetition Secured Parties all financial and other reporting as provided prepetition in accordance with the Prepetition Loan Documents.

13. *Reservation of Rights of Prepetition Secured Parties*. Under the circumstances and given that the Adequate Protection is consistent with the Bankruptcy Code, this Court finds that the adequate protection provided herein is reasonable and sufficient to protect the interests of the Prepetition Secured Parties. Notwithstanding any other provision

hereof, the grant of adequate protection to the Prepetition Agent and the Prepetition Secured Parties pursuant hereto is without prejudice to the right of the Prepetition Agent to seek modification of the grant of adequate protection provided hereby so as to provide different or additional adequate protection; provided, however, that any such additional or modified adequate protection shall at all times be subordinate and junior to the claims and liens of the DIP Agent and the DIP Lenders granted under this Order and the DIP Documents. Except as expressly provided herein, nothing contained in this Order (including without limitation, the authorization to use any Cash Collateral) shall impair or modify any rights, claims or defenses available in law or equity to the Prepetition Agent or any other Prepetition Secured Party.

14. *Perfection of DIP Liens and Adequate Protection Liens.*

(a) The DIP Agent and the Prepetition Agent are hereby authorized, but not required, to file or record financing statements, intellectual property filings, mortgages, notices of lien or similar instruments in any jurisdiction, take possession of or control over, or take any other action in order to validate and perfect the liens and security interests granted to them hereunder. Whether or not the DIP Agent on behalf of the DIP Lenders, or the Prepetition Agent on behalf of the respective Prepetition Secured Parties shall, in their respective sole discretion, choose to file such financing statements, intellectual property filings, mortgages, notices of lien or similar instruments, take possession of or control over, or otherwise confirm perfection of the liens and security interests granted to them hereunder, such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge, dispute or subordination as of the date of entry of this Order.

(b) A certified copy of this Order may, in the discretion of the DIP Agent or the Prepetition Agent, as the case may be, be filed with or recorded in filing or recording offices

in addition to or in lieu of such financing statements, mortgages, notices of lien or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Order for filing and recording.

(c) The Debtors shall execute and deliver to the DIP Agent and the Prepetition Agent, as the case may be, all such agreements, financing statements, instruments and other documents as the DIP Agent and the Prepetition Agent may reasonably request to evidence, confirm, validate or perfect the DIP Liens and the Adequate Protection Liens. All such documents will be deemed to have been recorded and filed as of the Petition Date.

(d) In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized to do and perform all acts to make, execute and deliver all instruments and documents and to pay all fees that may be reasonably required or necessary for the Debtors' performance hereunder.

15. *Preservation of Rights Granted Under the Order.*

(a) No claim or lien having a priority senior to or *pari passu* with those granted by this Order to the DIP Agent, the DIP Lenders, the Prepetition Agent and other the Prepetition Secured Parties shall be granted or allowed while any portion of the DIP Obligations, the Commitments, the Adequate Protection Obligations or the 507(b) Claims remain outstanding, and the DIP Liens and the Adequate Protection Liens shall not be subject or junior to any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code or subordinated to or made *pari passu* with any other lien or security interest (other than the Permitted Prepetition Liens, the Prepetition Secured Party Liens, and the Carve-Out).

(b) The Debtors shall not seek, and it shall constitute an Event of Default under the DIP Agreement and a termination of the right to use Cash Collateral if any of the Debtors seeks, or if there is entered, (i) any modification of this Order without the prior written consent of the DIP Agent and the Prepetition Agent, and no such consent shall be implied by any other action, inaction or acquiescence by the DIP Agent or the Prepetition Agent, or (ii) an order converting or dismissing any of the Cases.

(c) Except as expressly provided in this Order or in the DIP Documents, the DIP Liens, the Superpriority Claims, the Adequate Protection Obligations, the Adequate Protection Liens, the 507(b) Claims and all other rights and remedies of the DIP Agent, the DIP Lenders, the Prepetition Agent and the Prepetition Secured Parties granted by this Order and the DIP Documents shall survive, and shall not be modified, impaired or discharged by (i) the entry of an order converting any of the Cases to a case under chapter 7 of the Bankruptcy Code, dismissing any of the Cases or by any other act or omission, or (ii) the entry of an order confirming a plan of reorganization in any of the Cases. The terms and provisions of this Order and the DIP Documents shall continue in the Cases, in any successor cases if the Cases cease to be jointly administered, or in any superseding chapter 7 cases under the Bankruptcy Code, and the DIP Liens, the Adequate Protection Liens, the Adequate Protection Obligations, the DIP Obligations, the Superpriority Claims, the Section 507(b) Claims, any other administrative expense claims granted pursuant to this Order, and all other rights and remedies of the DIP Agent, the DIP Lenders, the Prepetition Agent and the Prepetition Secured Parties granted by this Order and the DIP Documents shall continue in full force and effect until all DIP Obligations and all Adequate Protection Obligations are indefeasibly paid in full in cash.

16. *Effect of Stipulations on Third Parties*. The stipulations and admissions contained in this Order, including without limitation, in paragraph 3 of this Order: (a) shall be binding upon the Debtors for all purposes; and (b) shall be binding upon all other parties in interest, including without limitation, the Committee (if any), unless (i) any such Committee, which shall be deemed to have requisite standing, or any other party-in-interest with requisite standing, has duly filed an adversary proceeding (subject to the limitations contained herein, including, without limitation, in paragraph 17) by no later than (A) the date that is the later of 60 days from the date of an order approving counsel for the Committee, 60 days from the entry of the Final Order, or, if no Committee is appointed, 75 days after the date of entry of the Final Order, subject to extension by the Court, after notice and a hearing, for cause shown, and (B) any such later date agreed to in writing by the Prepetition Agent in its sole and absolute discretion (X) challenging the validity, enforceability, priority or extent of the Prepetition Obligations or the liens on the Prepetition Collateral securing such Prepetition Obligations or (Y) otherwise asserting or prosecuting any claims or causes of action arising under sections 542-553 of the Bankruptcy Code or any other claims, counterclaims or causes of action, objections, contests or defenses (collectively, the "***Claims and Defenses***") against the Prepetition Agent or any of the other Prepetition Secured Parties or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors in connection with any matter related to the Prepetition Obligations or the Prepetition Collateral, and (ii) an order is entered by a court of competent jurisdiction and becomes final and non-appealable in favor of the plaintiff sustaining any such challenge or claim in any such duly filed adversary proceeding; provided that, as to the Debtors, all such Claims and Defenses are hereby irrevocably waived and relinquished as of the Petition Date. If no such adversary proceeding is duly and timely filed in respect of the

Prepetition Obligations, (x) the Prepetition Obligations shall constitute allowed claims, not subject to counterclaim, setoff, subordination, recharacterization, defense or avoidance, for all purposes in the Cases and any subsequent chapter 7 case, (y) the liens on the Prepetition Collateral securing the Prepetition Obligations, as the case may be, shall be deemed to have been, as of the Petition Date, and to be, legal, valid, binding, perfected and of the priority specified in paragraph 3, not subject to defense, counterclaim, recharacterization, subordination or avoidance and (z) the Prepetition Obligations, the Prepetition Agent and the Prepetition Secured Parties, as the case may be, and the liens on the Prepetition Collateral granted to secure the Prepetition Obligations shall not be subject to any other or further challenge by the Committee (if any) or any other party-in-interest, and such Committee or party-in-interest shall be enjoined from seeking to exercise the rights of the Debtors' estates, including without limitation, any successor thereto (including, without limitation, any estate representative or a chapter 7 or 11 trustee appointed or elected for any of the Debtors). If any such adversary proceeding is duly filed, the stipulations and admissions contained in paragraph 3 of this Order shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph) on the Committee (if any) and any other party-in-interest, except as to any such stipulations and admissions that were expressly and successfully challenged in such adversary proceeding as set forth in a final, non-appealable order of a court of competent jurisdiction. Nothing in this Order vests or confers on any Person (as defined in the Bankruptcy Code) (other than the Committee (if any) as provided above), standing or authority to pursue any cause of action belonging to the Debtors or their estates, including without limitation, Claims and Defenses with respect to the Prepetition Loan Documents or the Prepetition Obligations or any liens granted by any Debtor to secure any of the foregoing. Notwithstanding anything to the

contrary in this Interim Order, nothing herein shall prejudice the right or ability of Harbinger Capital LLC or any of its affiliates to challenge the validity, enforceability, priority or amount of the Prepetition Obligations or the liens on the Prepetition Collateral securing such Prepetition Obligations.

17. *Limitation on Use of DIP Financing and DIP Collateral*. The Debtors shall use the DIP Financing and the Prepetition Collateral (including the Cash Collateral) solely as provided in this Order and the DIP Documents. Notwithstanding anything herein, no Loans under the DIP Agreement, DIP Collateral, Prepetition Collateral (including the Cash Collateral) or the Carve-Out may be used to (a) object, contest or raise any defense to the validity, perfection, priority, extent or enforceability of any amount due under the DIP Documents, the Prepetition Loan Documents or the liens or claims granted under this Order, the DIP Documents or the Prepetition Loan Documents, (b) assert any Claims and Defenses or any other causes of action against the DIP Agent, the DIP Lenders, the Prepetition Agent, the other Prepetition Secured Parties or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors, in each case, solely in their capacity as Prepetition Secured Parties, (c) prevent, hinder or otherwise delay the DIP Agent's or the Prepetition Agent's assertion, enforcement or realization on the Prepetition Collateral or the DIP Collateral in accordance with the DIP Documents, the Prepetition Loan Documents or this Order, (d) seek to modify any of the rights granted to the DIP Agent, the DIP Lenders, the Prepetition Agent or the other Prepetition Secured Parties hereunder or under the DIP Documents or the Prepetition Loan Documents, in the case of each of the foregoing clauses (a) through (d), without such applicable party's prior written consent or (e) pay any amount on account of any claims arising prior to the Petition Date unless such payments are (i) approved by an order of this Court and (ii) permitted

under the DIP Documents; provided that, notwithstanding anything to the contrary herein, no more than an aggregate of $200,000 of the Prepetition Collateral (including the Cash Collateral), Loans under the DIP Agreement, the DIP Collateral or the Carve-Out may be used by the Committee to investigate the validity, enforceability or priority of the Prepetition Obligations or the liens on the Prepetition Collateral securing the Prepetition Obligations, or investigate any Claims and Defenses or other causes action against the Prepetition Agent or the Prepetition Secured Parties.

18. *Exculpation.* Nothing in this Order, the DIP Documents, or any other documents related to these transactions shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Agent, any DIP Lender, or any Prepetition Secured Party any liability for any claims arising from the prepetition or postpetition activities of the Debtors in the operation of their business, or in connection with their restructuring efforts. So long as the DIP Agent, the DIP Lenders and the Prepetition Secured Parties comply with their obligations under the DIP Documents and the Prepetition Loan Documents (as applicable) and their obligations, if any, under applicable law (including the Bankruptcy Code), (a) the DIP Agent, DIP Lenders and the Prepetition Secured Parties shall not, in any way or manner, be liable or responsible for (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, servicer, bailee, custodian, forwarding agency or other person, and (b) all risk of loss, damage or destruction of the Collateral shall be borne by the Debtors.

19. *Order Governs*. In the event of any inconsistency between the provisions of this Order and the DIP Documents, the provisions of this Order shall govern.

20. *Master Proofs of Claim*.

(a) To facilitate the processing of claims, to ease the burden upon this Court and to reduce any unnecessary expense to the Debtors' estates, subject to entry of the Final Order, (i) the PMCA Agent is authorized (but not required) to file a single master proof of claim (a "***Master Proof of Claim***") on behalf of itself and the PMCA Lenders on account of their claims arising under the PMCA and hereunder against all Debtors in the Borrower's case only; and (ii) the 15% Notes Agent/Trustee is authorized (but not required) to file a Master Proof of Claim on behalf of itself and the 15% Noteholders on account of their claims arising under the 15% Notes Indenture and hereunder against all Debtors in the Borrower's case only.

(b) Upon filing of a Master Proof of Claim by the PMCA Agent and/or the 15% Notes Agent/Trustee (as applicable), the PMCA Agent and/or the 15% Notes Agent/Trustee (as applicable) and each PMCA Lender and/or 15% Noteholder (as applicable) and each of their respective successors and assigns, shall be deemed to have filed a proof of claim in the amount set forth opposite its name therein in respect of its claims against each of the Debtors arising under the applicable Prepetition Loan Documents and the claims (as defined in section 101 of the Bankruptcy Code) of the PMCA Agent and/or the 15% Notes Agent/Trustee (as applicable) and each PMCA Lender and/or 15% Noteholder, as applicable (and each of their respective successors and assigns) named in the Master Proof of Claim shall be allowed as if each such entity had filed a separate proof of claim in each of the Cases in the amount set forth in the Master Proof of Claim; provided that the the PMCA Agent and/or the 15% Notes Agent/Trustee (as applicable) may, but shall not be required to, amend the Master Proof of Claim from time to time to, among other things, reflect a change in the holders of the claims set forth therein or a reallocation among such holders of the claims asserted therein resulting from any transfer of any

such claims.

(c) The provisions set forth in paragraphs (a) and (b) above are intended solely for the purpose of administrative convenience and, except to the extent set forth herein or therein, neither the provisions of this paragraph nor the Master Proof of Claim shall affect the substantive rights of the Debtors, the Committee, the Prepetition Agent, the other Prepetition Secured Parties or any other party in interest or their respective successors in interest, including without limitation, the right of each Prepetition Secured Party (or its successor in interest) to vote separately on any plan of reorganization proposed in the Cases.

21. *Binding Effect; Successors and Assigns*. The DIP Documents and the provisions of this Order, including all findings herein, shall be binding upon all parties-in-interest in the Cases, including without limitation, the DIP Agent, the DIP Lenders, the Prepetition Agent, the Prepetition Secured Parties, the Committee (if any), and the Debtors and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for any of the Debtors, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors) and shall inure to the benefit of the DIP Agent, the DIP Lenders, the Prepetition Secured Parties and the Debtors and their respective successors and assigns; provided that, except to the extent expressly set forth in this Order, the DIP Agent, the Prepetition Agent, the DIP Lenders and the Prepetition Secured Parties shall have no obligation to permit the use of Cash Collateral or extend any financing to any chapter 7 trustee or similar responsible person appointed for the estates of the Debtors.

22. *Limitation of Liability*. Subject to entry of the Final Order, in determining to make any Loan under the DIP Agreement, permitting the use of Cash Collateral or in

exercising any rights or remedies as and when permitted pursuant to this Order or the DIP Documents, the DIP Agent, the Prepetition Agent, the DIP Lenders and the Prepetition Secured Parties shall not be deemed to be in "control" of the operations of the Debtors or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtors (as such terms, or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601 et seq. as amended, or any similar federal or state statute). Furthermore, nothing in this Order or in the DIP Documents shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Agent, the DIP Lenders, the Prepetition Agent or the Prepetition Secured Parties any liability for any claims arising from the prepetition or post-petition activities of any of the Debtors and their affiliates (as defined in section 101(2) of the Bankruptcy Code).

23. Notwithstanding anything to the contrary herein or in any DIP Document, the maximum liability of any Non-Subsidiary Guarantor under the DIP Documents shall not exceed the sum of (i)(x) the aggregate amount of funds transferred (including as dividends or loans) to any Non-Subsidiary Guarantor or any subsidiary of any Non-Subsidiary Guarantor (excluding the Borrower, the Domestic Subsidiary Guarantors and the Canadian Guarantors) after the Petition Date by the Borrower, any Domestic Subsidiary Guarantor or any Canadian Guarantor (including funds transferred pursuant to section 6.03(h) of the DIP Agreement and payments to TerreStar New York Inc. specified in section 6.05 of the DIP Agreement) minus (ii) the aggregate amount of any funds contributed, loaned or otherwise paid by any Non-Subsidiary Guarantor or any subsidiary of any Non-Subsidiary Guarantor (excluding the Borrower, the Domestic Subsidiary Guarantors and the Canadian Guarantors) to the Borrower, any Domestic Subsidiary Guarantor or any Canadian Guarantor and the aggregate amount paid to the DIP

Agent or any DIP Lender under the DIP Documents by any Non-Subsidiary Guarantor plus (y) the fees and expenses incurred by the DIP Agent or any DIP Lender incurred in connection with the enforcement of the obligations of such Non-Subsidiary Guarantor under the DIP Documents under section 10.17 of the DIP Agreement; *provided*, *however*, that the maximum liability of all Non-Subsidiary Guarantors, taken together, under the DIP Documents shall not exceed $15,000 in the aggregate at any time (the "***Guarantee Cap***"). The Debtors may request that the Court increase the Guarantee Cap after notice and hearing; *provided, however*, that all parties reserve their rights to object to such increase request in all respects, including, but not limited to, whether the Non-Subsidiary Guarantors should be jointly and severally liable under any guarantee obligations to the DIP Lenders or the DIP Agent.

24. *Effectiveness.* This Order shall constitute findings of fact and conclusions of law and shall take effect immediately upon execution hereof as of the Petition Date, and there shall be no stay of execution of effectiveness of this Order.

25. *Final Hearing*. The Final Hearing is scheduled for November 16, 2010 at 10:00 a.m. (prevailing Eastern time) before this Court.

26. *Final Hearing Notice*. The Debtors shall promptly mail copies of this Order (which shall constitute adequate notice of the Final Hearing) to the parties having been given notice of the Interim Hearing, and to any other party that has filed a request for notices with this Court and to the Committee (if any) after the same has been appointed, or Committee counsel, if the same shall have been appointed. Any party-in-interest objecting to the relief sought at the Final Hearing shall serve and file written objections; which objections shall filed with the Clerk of the United States Bankruptcy Court for the Southern District of New York (with a courtesy copy to be sent to the Court's chambers) and be served upon (a) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036, Attn: Ira S. Dizengoff, Esq. and Arik Preis, Esq., attorneys for the Debtors; (b) Emmet, Marvin & Martin, LLP, 120 Broadway, New York, NY 10271, Attn: Elizabeth Clark, Esq., counsel to the DIP Agent, (c) the Prepetition Agent, (d) Willkie Farr & Gallagher, 787 Seventh Avenue, New York, NY 10019, counsel to the Initial Lender; Attn: Matthew A. Feldman, Esq. and Rachel C. Strickland, Esq., (e) counsel to the Prepetition Secured Notice Parties; and (f) the Office of the U.S. Trustee for the Southern District of New York, Attention: Susan Golden, Esq. and shall be filed with the Clerk of the United States Bankruptcy Court, Southern District of New York, in each case to allow actual receipt by the foregoing no later than November 9, 2010 at 4:00 p.m. (prevailing Eastern time).

27. For the avoidance of doubt, this Order and each of the provisions thereof are being entered on an interim basis and remain subject to entry of a final order.

Dated: ***October 20, 201***0
New York, New York

/s/ Sean H. Lane
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

Initial 13-Week Projection

13-Week Cash Flow Forecast
($ in thousands)

Week Ended		1	2	Ch. 11 Filing 1	2	3	4	5	6	7	8	9	10	11	12	
		10/01/10 E	**10/08/10 E**	**10/15/10 E**	**10/22/10 E**	**10/29/10 E**	**11/05/10 E**	**11/12/10 E**	**11/19/10 E**	**11/26/10 E**	**12/03/10 E**	**12/10/10 E**	**12/17/10 E**	**12/24/10 E**	**12/31/10 E**	**Total**
Cash Receipts																
Roam-In		-	-	-	-	10	-	-	-	40	-	-	-	-	89	138
Handset Sales		-	-	-	-	-	-	-	-	-	-	-	-	-	321	321
Subtotal		-	-	-	-	10	-	-	-	40	-	-	-	-	410	459
Payroll																
Payroll		550	-	550	-	676	-	602	-	676	-	602	-	602	74	4,334
Health Care Benefits		133	17	-	17	133	17	-	17	133	17	-	17	133	17	651
Total Payroll & Benefits		683	17	550	17	809	17	602	17	809	17	602	17	735	91	4,985
Other Operating Costs																
Operational and Technical Facility Leases		206	-	-	-	-	206	-	-	-	93	113	-	-	-	619
CES Sites		83	-	-	-	-	83	-	-	-	-	83	-	-	-	249
North Las Vegas and Allan Park Operations		153	55	-	-	-	153	55	-	-	-	55	-	-	-	472
Satellite Ops Consultants		-	-	-	221	-	-	-	221	-	-	-	-	221	-	662
Network Operations & Circuits		-	-	204	-	-	-	204	-	-	200	-	204	-	-	813
Information Technology/ OSS / BSS		172	32	-	283	142	166	-	486	104	-	92	40	243	81	1,842
Business Operations		-	15	-	45	-	15	-	45	-	15	-	45	-	-	180
Sales & Marketing		18	-	-	20	-	18	-	20	-	18	-	20	-	-	114
Canada		26	200	-	-	20	26	200	-	20	26	200	616	200	20	1,554
Accounting		-	25	600	30	-	100	25	-	30	-	25	-	80	-	915
Legal / Regulatory		150	-	-	-	-	150	-	-	-	150	-	-	-	-	450
Taxes / Fees		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs		63	63	63	63	63	63	63	63	63	63	63	63	63	63	882
Total Other Operating Costs		872	390	867	662	225	981	547	835	217	565	632	988	807	164	7,869
Vendor Payments - Subtotal		195	3	-	1,373	127	3	319	2,486	114	3	68	100	1,288	561	6,638
Development																
Next Generation Chipset		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Handset Development Work			-	-	550	48	15	745	-	-	15	745	-	-	-	2,118
Hughes		-	-	-	-	-	-	78	-	200	-	78	-	-	-	357
Comneon		-	-	-	400	140	-	-	-	140	-	-	-	-	140	820
DVSI		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal		-	-	-	950	188	15	823	-	340	15	823	-	-	140	3,295
Total Operating Disbursements		1,750	410	1,417	3,002	1,350	1,015	2,292	3,337	1,480	600	2,125	1,105	2,830	956	23,668
Memo: Cumulative DIP Draws before Prof. Fees		-	-	-	*5,003*	*6,523*	*7,406*	*9,745*	*13,150*	*14,620*	*15,232*	*17,401*	*18,528*	*21,416*	*21,973*	*21,973*
Professional Fees																
Debtor Professionals		500	500	-	-	-	-	1,000	-	-	-	1,000	-	-	-	3,000
UCC / Other Unsecured Creditors		-	-	-	-	-	-	750	-	-	-	750	-	-	-	1,500
Case Fees		-	-	-	-	-	-	750	-	-	-	750	-	-	-	1,500
Senior Notes (Adequate Protection)		-	-	-	-	750	-	-	-	750	-	-	-	-	750	2,250
DIP Lenders		-	-	150	-	750	-	-	-	750	-	-	-	-	750	2,400
Subtotal		500	500	150	-	1,500	-	2,500	-	1,500	-	2,500	-	-	1,500	10,650
Bankruptcy Expenses																
Professional Fee Retainers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility Deposit		-	-	-	500	-	-	-	-	-	-	-	-	-	-	500
Subtotal		-	-	-	500	-	-	-	-	-	-	-	-	-	-	500
Cash Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements		2,250	910	1,567	3,502	2,850	1,015	4,792	3,337	2,980	600	4,625	1,105	2,830	2,456	34,818
Net Cash Flow		(2,250)	(910)	(1,567)	(3,502)	(2,840)	(1,015)	(4,792)	(3,337)	(2,941)	(600)	(4,625)	(1,105)	(2,830)	(2,046)	(34,359)

EXHIBIT D

[FORM OF]
FINAL DIP ORDER

Please see attached.

DRAFT 10/19/2010

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
TERRESTAR NETWORKS INC., *et al.*,[1]	)	Case No. 10-[ ] ( )
Debtors.	)	[Jointly Administered]

FINAL 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; AND (III) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED PARTIES

Upon the motion, dated October 19, 2010 (the "Motion"), of TerreStar Networks Inc. ("TSN") and each of its affiliated debtors and debtors in possession (collectively, the "Debtors") in the above-captioned cases (the "Cases") commenced on October 19, 2010 (the "Petition Date"), for interim and final orders under sections 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e) of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (as amended, the "Bankruptcy Code"), and Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (as amended, the "Bankruptcy Rules"), and the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York (the "Local Rules"), seeking:

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

(I) authorization (a) for TSN (the "Borrower") to obtain up to $75 million (plus fees, interest and other amounts to be capitalized in accordance with the terms of the DIP Documents (defined below)) in aggregate principal amount of postpetition financing (the "DIP Financing") on the terms and conditions set forth in this final order (this "Final Order") and that certain Debtor-In-Possession Credit, Security & Guaranty Agreement (substantially in the form annexed to the Motion as Exhibit A, and as hereafter amended, supplemented or otherwise modified from time to time, the "DIP Agreement";[2] and, collectively with all agreements, guaranties, collateral agreements, documents and instruments delivered or executed from time to time in connection therewith, as hereafter amended, supplemented or otherwise modified from time to time, the "DIP Documents"), among the Borrower, the Guarantors (as defined below), EchoStar Corporation ("EchoStar" or the "Initial Lender"), and the other lenders that may become party thereto from time to time (collectively, the "DIP Lenders"), and The Bank of New York Mellon, as Administrative Agent and Collateral Agent (in such capacity, the "DIP Agent"), and (b) for each of the Debtors other than the Borrower (the "Guarantors"), to jointly and severally (except as provided in section 10.17 of the DIP Agreement) guaranty on a secured basis the Borrower's obligations in respect of the DIP Financing;

(II) authorization for the Debtors to execute and deliver the DIP Agreement and the other DIP Documents and to perform such other and further acts as may be necessary or appropriate in connection therewith;

[2] Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the DIP Agreement.

(III) authorization for the Debtors to use the Cash Collateral (as defined in paragraph 4(g) below) pursuant to sections 361, 362 and 363 of the Bankruptcy Code, and all other Prepetition Collateral (as defined in paragraph 4(d) below);

(IV) granting adequate protection to the PMCA Agent, PMCA Lenders, the 15% Notes Trustee/Agent, and the 15% Noteholders (each as defined below, and together, the "Prepetition Secured Parties") with respect to such use of Cash Collateral and any diminution in the value of the Prepetition Collateral securing the Debtors' obligations (the "Prepetition Secured Obligations") under or in connection with: (i) that certain Terrestar-2 Purchase Money Credit Agreement, dated as of February 5, 2008 (as amended, restated, supplemented or otherwise modified from time to time, and including any mortgage, security, pledge, control or guaranty agreements or other documentation executed in connection with the foregoing, the "PMCA"), among TSN, as borrower, U.S. Bank National Association, as collateral agent (in such capacity, the "PMCA Agent"), the guarantors party thereto from time to time, and Harbinger Capital Partners Master Fund 1, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and EchoStar, as lenders (the "PMCA Lenders"); and (ii) the 15.0% senior secured payment-in-kind notes due 2014 (the "15% Notes") issued pursuant to that certain Indenture, dated as of February 14, 2007, among TSN, as issuer, U.S. Bank National Association, as indenture trustee and collateral agent (in such capacity, the "15% Notes Trustee/Agent" and together with the PMCA Agent, the "Prepetition Agent"), and the guarantors from time to time party thereto (as amended, restated, supplemented or otherwise modified from time to time, including by that certain First Supplemental Indenture, dated as of February 7, 2008, and that certain Second Supplemental Indenture, dated as of February 7, 2008, and including any mortgage, security, pledge, control or

guaranty agreements or other documentation executed in connection with the foregoing, the "15% Notes Indenture" and, together with the PMCA, the "Prepetition Loan Documents");

(V) authorization for the DIP Agent to, subject to paragraph 9 below, upon the occurrence and continuance of an Event of Default: (a) reduce the amount of or terminate any outstanding Commitments under the DIP Agreement, (b) terminate the DIP Agreement, (c) charge the default rate of interest on the Loans, (d) declare the entirety of the Loans to be due and payable, and/or (e) subject to the Carve-Out (as defined in paragraph 7(b) below), exercise any and all remedies under applicable law (including the UCC and PPSA);

(VI) granting liens to the DIP Lenders on the Debtors' claims and causes of action arising under sections 542-553 of the Bankruptcy Code (collectively, the "Avoidance Actions") and the proceeds thereof, which constitutes an "extraordinary provision" (a "Material Provision") under General Order M-274 of the United States Bankruptcy Court for the Southern District of New York;

(VII) the waiver by the Debtors of any right to seek to surcharge the DIP Collateral (as defined in paragraph 8 below) pursuant to section 506(c) of the Bankruptcy Code or any other applicable law or principle of equity, which grant constitutes a Material Provision;

(VIII) at a hearing (the "Final Hearing") on the Motion before this Court, pursuant to Bankruptcy Rule 4001, entry of this Final Order: (a) authorizing the Borrower to borrow under the DIP Agreement an aggregate principal amount not to exceed $75 million (plus fees, interest and other amounts to be capitalized in accordance with the terms of the DIP Documents), (b) authorizing the Debtors to use the Cash Collateral and the other Prepetition Collateral, and (c) granting adequate protection to the Prepetition Secured Parties.

The hearing on entry of the order granting the Motion on an interim basis (the "Interim Order") having been held by this Court on October [ ], 2010 (the "Interim Hearing"); and the Final Hearing having been held by this Court on November [ ], 2010; and upon the record made by the Debtors at the Interim Hearing and Final Hearing, including, without limitation, the admission into evidence of (i) the First Day Declaration, (ii) the Epstein DIP Declaration, and (iii) the Zelin Declaration (each as defined in the Motion), each of which was filed on the Petition Date, and the other evidence submitted or adduced and the arguments of counsel made at the Interim Hearing and Final Hearing; and after due deliberation and consideration and sufficient cause appearing therefor;

IT IS FOUND, DETERMINED, ORDERED AND ADJUDGED, that:

1. *Disposition.* The Motion is granted on a final basis in accordance with the terms of this Final Order. Any objections to the Motion with respect to the entry of this Final Order that have not been withdrawn, waived or settled, and all reservation of rights included therein, are hereby denied and overruled.

2. *Jurisdiction/Venue*. This Court has core jurisdiction over the Cases, this Motion, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. *Notice*. Notice of the Motion and the relief requested therein, and the relief requested at the Final Hearing was served by the Debtors by electronic mail, facsimile, or overnight mail to: (a) the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee"); (b) the entities listed on the Consolidated List of Creditors Holding the 30 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) The Bank of New York Mellon as agent for the Debtors' proposed postpetition debtor-in-possession

financing; (d) Emmet, Marvin & Martin LLP as counsel to the agent for the Debtors' proposed postpetition debtor-in-possession financing; (e) U.S. Bank National Association as Collateral Agent for the Debtors' purchase money credit facility and Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and EchoStar Corporation as Lenders thereunder; (f) Weil, Gotshal & Manges LLP as counsel to Harbinger Capital Partners Master Fund I, Ltd. and Harbinger Capital Partners Special Situations Fund, L.P. in their capacity as Lenders under the Debtors' purchase money credit facility; (g) Willkie Farr & Gallagher LLP as counsel to EchoStar Corporation in its capacity as Lender under the Debtors' purchase money credit facility and Initial Lender under the Debtors' proposed postpetition debtor-in-possession financing; (h) U.S. Bank National Association as Indenture Trustee for the Debtors' 15% Senior Secured Notes; (i) U.S. Bank National Association as Indenture Trustee for the Debtors' 6.5% Senior Exchangeable Notes; (j) Quinn Emanuel Urquhart & Sullivan, LLP as counsel to an Ad Hoc group of the Debtors' 6.5% Senior Exchangeable Notes; (k) the Internal Revenue Service; (l) the Securities and Exchange Commission; (m) the United States Attorney for the Southern District of New York; and (n) the Federal Communications Commission. Under the circumstances, the notice provided of the Motion, the relief requested therein and the Final Hearing constitutes due and sufficient notice thereof, complies with Bankruptcy Rules 4001(c) and (d) and the Local Rules, and no further notice of the relief sought at the Final Hearing and the relief granted herein is necessary or required.

4. *Debtors' Stipulations*. Subject to the limitations contained in paragraph 17 below, the Debtors admit, stipulate, and agree that:

(a) as of the Petition Date, certain of the Debtors were justly and lawfully indebted and liable, without defense, counterclaim or offset of any kind, to the PMCA Lenders,

in the amount of not less than $89.5 million of principal and accrued interest (such obligations, in addition to the obligations described below, the "Prepetition PMCA Obligations"), in respect of loans or other financial accommodations made by the PMCA Lenders pursuant to, and in accordance with the terms of, the PMCA, plus, in each case, accrued and unpaid interest thereon and costs and expenses and other obligations owing under the PMCA;

(b) as of the Petition Date, certain of the Debtors were justly and lawfully indebted and liable, without defense, counterclaim or offset of any kind, to the holders of 15% Notes (the "15% Noteholders"), in the amount of not less than $942.8 million of principal and accrued interest (such obligations, in addition other obligations described below in this paragraph, the "Prepetition 15% Notes Obligations" and, together with the Prepetition PMCA Obligations the "Prepetition Obligations"), in respect of loans or other financial accommodations made by the 15% Noteholders pursuant to, and in accordance with the terms of, the 15% Notes Indenture, plus, in each case, accrued and unpaid interest thereon and costs and expenses and other obligations owing under the 15% Notes Indenture;

(c) the liens and security interests granted to the PMCA Agent to secure the Prepetition PMCA Obligations (the "PMCA Liens") are (i) valid, binding, perfected, enforceable, first priority (subject to permitted exceptions under the PMCA) liens on and security interests in the personal and real property constituting "Collateral" under, and as defined in, the PMCA (including Cash Collateral, the "PMCA Collateral"), (ii) not subject to objection, defense, counterclaim, offset, contest, attachment, avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law, and (iii) subject and subordinate only to valid, perfected and unavoidable liens permitted under the PMCA to the extent such permitted

liens are senior to the liens securing the PMCA (the "PMCA Permitted Prepetition Liens") and the Carve-Out (as defined in paragraph 7(b) below);

(d) the liens and security interests granted to the 15% Notes Trustee/Agent to secure the Prepetition 15% Notes Obligations (the "15% Notes Liens" and, together with the PMCA Liens, the "Prepetition Secured Party Liens") are (i) valid, binding, perfected, enforceable, first priority (subject to permitted exceptions under the 15% Notes Indenture) liens on and security interests in the personal and real property constituting "Collateral" under, and as defined in, the 15% Notes Indenture (including Cash Collateral, the "15% Notes Collateral" and, together with the PMCA Collateral, the "Prepetition Collateral"), (ii) not subject to objection, defense, counterclaim, offset, contest, attachment, avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law, and (iii) subject and subordinate only to valid, perfected and unavoidable liens permitted under the 15% Notes Indenture to the extent such permitted liens are senior to the liens securing the Prepetition 15% Notes Obligations (the "15% Notes Permitted Prepetition Liens" and, together with the PMCA Permitted Prepetition Liens, the "Permitted Prepetition Liens") and the Carve-Out;

(e) the Prepetition Obligations constitute the legal, valid and binding obligations of the Debtors, enforceable in accordance with their terms (other than in respect of the stay of enforcement arising under section 362 of the Bankruptcy Code);

(f) (i) no portion of the Prepetition Obligations shall be subject to objection, defense, counterclaim, offset, avoidance, recharacterization, recovery or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law, and (ii) the Debtors do not have, and hereby forever release, any claims (as defined in section 101(5) of the Bankruptcy Code), counterclaims, causes of action, defenses, setoff or recoupment rights, whether arising under the

Bankruptcy Code or applicable nonbankruptcy law, against the Prepetition Secured Parties and their respective affiliates, subsidiaries, agents, officers, directors, employees, attorneys and advisors, in each case, solely in their capacity as Prepetition Secured Parties; and

(g) a portion of the Debtors' cash constitutes Prepetition Collateral and, therefore, is cash collateral of the Prepetition Secured Parties within the meaning of section 363(a) of the Bankruptcy Code (the "Cash Collateral").

5. *Findings Regarding the DIP Financing.*

(a) Based upon the record presented to the Court by the Debtors, it appears that the Debtors have an immediate need to obtain the DIP Financing and to use the Prepetition Collateral, including any Cash Collateral, in order to, among other things, permit the orderly continuation of their businesses, preserve the going concern value of the Debtors, pay the costs of administration of their estates and for the other purposes set forth in the DIP Documents. The Debtors' use of the Prepetition Collateral (including the Cash Collateral) and the DIP Financing is necessary to ensure that the Debtors have sufficient working capital and liquidity to preserve and maintain the going concern value of the Debtors' estates. Good cause has, therefore, been shown for entry of this Final Order.

(b) The Debtors are unable to obtain financing on more favorable terms from sources other than the DIP Lenders pursuant to, and for the purposes set forth in, the DIP Documents and are unable to obtain adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense. The Debtors are also unable to obtain secured credit allowable under sections 364(c)(1), 364(c)(2) and 364(c)(3) of the Bankruptcy Code without the Debtors granting to the DIP Agent for the benefit of itself and the DIP Lenders, subject to the Carve-Out, (i) the DIP Liens (as defined in paragraph 8 below), including the

priming DIP Liens described in paragraph 8(b) below, and (ii) the Superpriority Claims (as defined in paragraph 7(a) below), in each case on the terms and conditions set forth in this Final Order and the DIP Documents. Specifically, no party or parties other than the DIP Lenders would provide postpetition financing to the Debtors absent the Debtors granting such parties priming liens on the Debtors' assets pursuant to section 364(d)(1) of the Bankruptcy Code, and the Debtors were unable to satisfy the requirements of section 364(d)(1) of the Bankruptcy Code.

(c) The terms of the DIP Documents and the use of the Prepetition Collateral (including the Cash Collateral) pursuant to this Final Order and the DIP Agreement are fair and reasonable, and reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties. The Debtors will receive and have received fair and reasonable consideration in exchange for access to the DIP Financing and all other financial accommodations provided under the DIP Documents and this Final Order.

(d) The DIP Documents and the terms and conditions of the Debtors' use of the Prepetition Collateral (including the Cash Collateral) have been the subject of extensive negotiations conducted in good faith and at arm's length among the Debtors, the DIP Agent, the DIP Lenders, the Prepetition Agent and the PMCA Lenders, and all of the Debtors' obligations and indebtedness arising under or in connection with the DIP Financing, including without limitation, (i) all Loans made to, and guaranties issued by, the Debtors pursuant to the DIP Agreement, (ii) the Debtors' obligation to pay all reasonable costs and expenses of (a) the Initial Lender (including all reasonable, actual and documented fees, expenses and disbursements of the Initial Lender's counsel and financial advisors, i.e., Willkie Farr & Gallagher LLP, Sullivan & Cromwell LLP, Goodmans LLP, Steptoe & Johnson LLP and Lazard Ltd.), and (b) the DIP Agent (including all reasonable, actual and documented fees, expenses and disbursements of the

DIP Agent's counsel, i.e., Emmet, Marvin & Martin, LLP) in connection with the preparation, execution and delivery of the DIP Agreement and the funding of the DIP Financing, and (iii) all other obligations (including, without limitation, indemnification and fee obligations) of the Debtors under the DIP Documents and this Final Order now or hereafter owing to the DIP Agent or any DIP Lender (collectively, (i), (ii) and (iii), the "DIP Obligations") shall be deemed to have been extended by the DIP Agent and the DIP Lenders in "good faith" as such term is used in section 364(e) of the Bankruptcy Code, and in express reliance upon the protections set forth therein, and shall be entitled to the full protection of section 364(e) of the Bankruptcy Code, in the event that this Order or any provision hereof is vacated, reversed or modified on appeal or otherwise.

6. *Authorization Of The DIP Financing And The DIP Documents.*

(a) The Debtors are hereby authorized, without stockholder, member or board of directors (or similar body) approval, to enter into and perform their obligations under the DIP Documents and, in the case of (i) the Borrower, to borrow thereunder up to an aggregate principal amount of $75 million (plus fees, interest and other amounts to be capitalized in accordance with the terms of the DIP Documents) for working capital and other general corporate purposes of the Debtors and to pay interest, fees and all other expenses provided for in the DIP Documents, all in accordance with the terms of this Final Order, the DIP Agreement and the other DIP Documents, and (ii) the Guarantors, to jointly and severally (except as provided in section 10.17 of the DIP Agreement) guaranty such borrowing and all other DIP Obligations.

(b) The Debtors are authorized to use the proceeds of borrowings under the DIP Agreement and Cash Collateral in accordance with and to the extent permitted by the DIP Documents.

(c) In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized, and the automatic stay imposed by section 362 of the Bankruptcy Code is hereby lifted to the extent necessary, to perform all acts and to execute and deliver all instruments and documents that the DIP Agent or the Initial Lender determines to be reasonably required or necessary for the Debtors' performance of their obligations under the DIP Documents, including without limitation:

(i) the execution, delivery and performance of the DIP Documents;

(ii) the execution, delivery and performance of one or more amendments, waivers, consents or other modifications to and under the DIP Documents, in each case in such form as the Debtors, the DIP Agent and the requisite DIP Lenders may agree, and no further approval of this Court shall be required for immaterial amendments, waivers, consents or other modifications to and under the DIP Documents (and any fees paid in connection therewith) that do not (A) shorten the maturity of the Loans or (B) increase the Commitments or the rate of interest payable on the Loans under the DIP Agreement; provided, that a copy of any amendment, waiver, consent or other modification to the DIP Documents shall be provided by the Debtors to (X) the U.S. Trustee and (Y) counsel to any statutory committee of unsecured creditors appointed in the Cases (the "Committee"), if any;

(iii) the non-refundable payment to the DIP Agent, its affiliates and the DIP Lenders, as the case may be, of (A) the fees set forth in the DIP Documents (including, without limitation, the fees provided for in the Fee Schedule, dated October 7, 2010, between the Borrower and the DIP Agent) and (B) such reasonable, actual, and documented costs and expenses as may be due from time to time under the DIP Documents, all as provided in the DIP Documents and all of which constitute DIP Obligations; and

(iv) the performance of all other acts required under or in connection with the DIP Documents.

(d) Upon execution and delivery of the DIP Documents, the DIP Documents shall constitute valid and binding obligations of the Debtors, enforceable against the Debtors in accordance with the terms of this Final Order and the DIP Documents, without the need for approval by any equity holder, member, or board of directors (or similar body) of any Debtor. No obligation, payment, transfer or grant of security under the DIP Documents or this Final Order shall be stayed, voidable, avoidable or recoverable under the Bankruptcy Code or under any applicable nonbankruptcy law (including without limitation, under sections 502(d), 548 or 549 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law), or subject to any defense, reduction, setoff, recoupment or counterclaim.

(e) The Debtors have provided the DIP Lenders with the 13-week cash flow projection annexed hereto as Exhibit A (the "Initial 13-Week Projection"). On a bi-weekly basis, the Debtors will provide the DIP Agent and DIP Lenders with an updated cash flow projection for the following 13 weeks.

7. *Superpriority Claims.*

(a) Pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed senior administrative expense claims (the "Superpriority Claims") against the Debtors and, except to the extent expressly set forth in this Final Order in respect of the Carve-Out, such Superpriority Claims shall have priority over any and all administrative expenses, adequate protection claims and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever, including without limitation, all

administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546, 726, 1113 or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, which allowed claims shall for purposes of section 1129(a)(9)(A) of the Bankruptcy Code be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, and which Superpriority Claims shall be payable from and have recourse to all prepetition and postpetition property of the Debtors and all proceeds thereof, including without limitation the Avoidance Actions and any proceeds or other amounts received in respect thereof and property received thereby, whether by judgment, settlement or otherwise.

(b) For purposes hereof, the "Carve-Out" shall mean: (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code; (ii) fees and expenses up to $50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code; (iii) with respect to the information officer (the "Information Officer") to be appointed by the Canadian Court in connection with the proceedings commenced pursuant to the Companies' Creditors Arrangement Act (Canada) R.S.C. 1985, c. C-36 as amended in the Ontario Superior Court of Justice (Commercial List) in Toronto, Ontario, Canada (the "Canadian Proceedings"), all fees and expenses required to be paid to the Information Officer in connection with the Canadian Proceedings, including to the extent secured by the charge to be granted by the Canadian Court over the Debtors' assets in Canada, in the maximum amount of CDN $125,000, to secure payment of any such fees and expenses of the Information Officer; and (iv) after the occurrence

and during the continuance of an Event of Default under the DIP Documents, the payment of allowed professional fees and disbursements incurred by the Debtors or the Committee after the occurrence of the Event of Default not in excess of $800,000 (plus all unpaid professional fees and expenses allowed by this Court that were incurred prior to the occurrence of such Event of Default); provided that (X) the Carve-Out shall not be available to pay any such professional fees and expenses incurred in connection with the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the DIP Agent, the DIP Lenders, or the Prepetition Secured Parties or liens and claims held by DIP Agent, the DIP Lenders, the Prepetition Secured Parties, (Y) so long as no Event of Default shall have occurred and be continuing, the Carve-Out shall not be reduced by the payment of fees and expenses allowed by this Court under sections 328, 330 and 331 of the Bankruptcy Code, and (Z) nothing in this Final Order shall impair the right of any party to object to the reasonableness of any such fees or expenses to be paid by the Debtors' estates.

8. *DIP Liens*. As security for the DIP Obligations, effective and perfected upon the date of this Final Order and without the necessity of the execution by the Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, mortgages or other similar documents, or the possession or control by the DIP Agent of any property, the following security interests and liens are hereby granted to the DIP Agent, for its own benefit and the benefit of the DIP Lenders (all property identified in clauses (a), (b) and (c) below being collectively referred to as the "DIP Collateral"), subject only to the Carve-Out (all such liens and security interests granted to the DIP Agent, for its benefit and for the benefit of the DIP Lenders, pursuant to this Final Order and the DIP Documents, the "DIP Liens"):

(a) *First Lien on Unencumbered Property*. Pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority lien on, and security interest in, all tangible and intangible prepetition and postpetition property in which the Debtors have an interest, whether existing on or as of the Petition Date or thereafter acquired, that is not subject to valid, perfected, non-avoidable and enforceable liens in existence on or as of the Petition Date (collectively, and excluding any property that is excluded from the definition of "Collateral" in section 10.01 of the DIP Agreement, the "Unencumbered Property"), including without limitation, any and all unencumbered cash, accounts receivable, other rights to payment, inventory, general intangibles, contracts, securities, chattel paper, owned real estate, real property leaseholds, fixtures, machinery, equipment, deposit accounts, patents, copyrights, trademarks, tradenames, rights under license agreements and other intellectual property, instruments, investment property, goods, satellites, spare satellites, ground stations, commercial tort claims, proceeds from the disposition of Federal Communications Commission and/or Industry Canada licenses (and the Federal Communications Commission and/or Industry Canada licenses themselves, to the fullest extent permitted by applicable law), books and records, in each case, wherever located, and the proceeds, products, rents and profits of all of the foregoing, including without limitation the Avoidance Actions and any proceeds or other amounts received in respect thereof and property received thereby, whether by judgment, settlement or otherwise.

(b) *Liens Junior to Certain Existing Liens*. Pursuant to section 364(c)(3) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected lien on, and security interest in, all tangible and intangible prepetition and postpetition property in which the Debtors have an interest, whether now existing or hereafter acquired and all proceeds thereof,

that is subject to the Prepetition Secured Party Liens or the Permitted Prepetition Liens, which security interest and lien shall be junior to (i) the Prepetition Secured Party Liens and the Permitted Prepetition Liens (but only to the extent such liens secure valid and enforceable Prepetition Secured Obligations), and (ii) the Carve-Out, but senior to all other liens.

(c) *Liens Priming TSN Secured Party Liens*. Pursuant to section 364(d)(1) of the Bankruptcy Code, and based upon the consent of the TSN Secured Party (as defined below), a valid, binding, continuing, enforceable, fully-perfected, priming lien on, and security interest in, all now existing or hereafter acquired property of TerreStar Networks (Canada) Inc. that constitutes "Collateral" (as defined in the TSN Security Agreement (defined below)) (the "TSN Collateral") under that certain Second Amended and Restated Security Agreement, dated August 11, 2009, as amended, by and between TerreStar Networks Inc., as Secured Party (the "TSN Secured Party"), and TerreStar Canada Inc., as Obligor (the "TSN Security Agreement"). The DIP Liens on the TSN Collateral shall be senior in all respects to the security interests in, and liens on, the TSN Collateral of the TSN Secured Party (the "TSN Security Agreement Liens"), but shall be junior to: (a) the 15% Notes Permitted Prepetition Liens; (b) the 15% Notes Liens; and (c) the Carve-Out.

(d) *Liens Senior to Certain Other Liens*. The DIP Liens and the Adequate Protection Liens (as defined in paragraph 13(a) below) shall not be (i) subject or subordinate to (A) any lien or security interest that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or (B) any liens arising after the Petition Date, including without limitation, any liens or security interests granted in favor of any federal, state, municipal or other governmental unit, commission, board or court for any liability of the Debtors or (ii) subordinated to or made *pari passu* with any other lien or security interest (other

than the Permitted Prepetition Liens, the Prepetition Secured Party Liens, and the Carve-Out) under sections 363 or 364 of the Bankruptcy Code or otherwise.

9. *Remedies After Event of Default.* The automatic stay under section 362 of the Bankruptcy Code is vacated and modified to the extent necessary to permit the DIP Agent and the DIP Lenders to exercise, (i) immediately upon the occurrence and during the continuance of an Event of Default, all rights and remedies under the DIP Documents, other than those rights and remedies against the DIP Collateral as provided in clause (ii) below, and (ii) upon the occurrence and during the continuance of an Event of Default, and the giving of ten (10) days' prior written notice to the Debtors, with a copy to counsel for the Debtors, counsel to the Committee [(and, if no Committee is formed, the Debtors' largest thirty (30) unsecured creditors on a consolidated basis)] and to the U.S. Trustee, all rights and remedies against the DIP Collateral provided for in the DIP Documents and this Final Order. In any hearing regarding any exercise of rights or remedies, the only issue that may be raised by any party in opposition thereto shall be whether, in fact, an Event of Default has occurred and is continuing. In no event shall the DIP Agent, the DIP Lenders, or the Prepetition Secured Parties be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the DIP Collateral. The DIP Agent's or any DIP Lender's delay or failure to exercise rights and remedies under the DIP Documents or this Final Order shall not constitute a waiver of the DIP Agent's or the DIP Lenders' rights hereunder, thereunder or otherwise, unless any such waiver is pursuant to a written instrument executed in accordance with the terms of the applicable DIP Documents.

10. *Limitation on Charging Expenses Against Collateral*. Except to the extent of the Carve-Out with respect to the DIP Collateral and the Prepetition Collateral, no expenses of administration of the Cases or any future proceeding that may result therefrom, including

liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Collateral or the Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law or in equity, without the prior written consent of the DIP Agent and the Prepetition Agent, and no such consent shall be implied from any other action or inaction by the DIP Agent, the DIP Lenders, or the Prepetition Secured Parties.

11. *Payments Free and Clear*. Any and all payments or proceeds remitted to the DIP Agent on behalf of the DIP Lenders or the Prepetition Agent on behalf of the Prepetition Secured Parties pursuant to the provisions of this Final Order or any subsequent order of this Court shall be received free and clear of any claim, charge, assessment or other liability.

12. *Use of Prepetition Collateral (including Cash Collateral).* The Debtors are hereby authorized to use the Prepetition Collateral, including the Cash Collateral, during the period from the Petition Date through and including the Termination Date under the DIP Agreement for, among other things, working capital and general corporate purposes in accordance with the terms and conditions of this Final Order and the DIP Documents; provided that the Prepetition Secured Parties are granted adequate protection as hereinafter set forth.

13. *Adequate Protection.* The Prepetition Secured Parties are entitled, pursuant to sections 105, 361, 363 and 364 of the Bankruptcy Code, to adequate protection of their interests in the Prepetition Collateral, including Cash Collateral, in an amount equal to the aggregate diminution in value of the Prepetition Secured Parties' security interests in the Prepetition Collateral, including without limitation, any such diminution resulting from the sale, lease or use by the Debtors (or other decline in value) of any Prepetition Collateral, including the Cash Collateral, and the imposition of the automatic stay pursuant to section 362 of the

Bankruptcy Code (such diminution in value, the "Adequate Protection Obligations"). As adequate protection, the Prepetition Secured Parties are hereby granted the following (the "Adequate Protection"):

(a) *Adequate Protection Liens*.

(i) As security for the payment of the Adequate Protection Obligations with respect to the PMCA, the PMCA Agent (for itself and for the benefit of the PMCA Lenders) is hereby granted (effective and perfected upon the date of this Final Order and without the necessity of the execution by the Debtors of security agreements, pledge agreements, mortgages, financing statements or other agreements) a valid, perfected replacement security interest in and lien on the PMCA Collateral (the "PMCA Adequate Protection Lien"), subject and subordinate only to (A) the Permitted Prepetition Liens, (B) Prepetition Secured Party Liens, (C) the DIP Liens, and (D) the Carve-Out, and senior to all other liens (including, without limitation, the TSN Liens).

(ii) As security for the payment of the Adequate Protection Obligations with respect to the 15% Notes, the 15% Notes Trustee/Agent (for itself and for the benefit of the 15% Noteholders) is hereby granted (effective and perfected upon the date of this Final Order and without the necessity of the execution by the Debtors of security agreements, pledge agreements, mortgages, financing statements or other agreements): (A) a valid, perfected replacement security interest in and lien on the 15% Notes Collateral, and (B) a non-avoidable, valid, enforceable and perfected security interest in and lien on all of the DIP Collateral not included in (A) above (collectively, (A) and (B), the "15% Notes Adequate Protection Liens" and together with the PMCA Adequate Protection Lien, the "Adequate Protection Liens"), each of which shall be subject and subordinate only to (W) the Permitted Prepetition Liens, (X)

Prepetition Secured Party Liens, (Y) the DIP Liens, and (Z) the Carve-Out, and senior to all other liens (including, without limitation, the TSN Liens).

(b) *Section 507(b) Claims*. The Adequate Protection Obligations shall constitute superpriority claims as provided in section 507(b) of the Bankruptcy Code (the "507(b) Claims"), with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including without limitation, sections 326, 328, 330, 331, 503(b), 506(c), 507(a), 726, 1113 and 1114 of the Bankruptcy Code, subject and subordinate only to (i) the Carve-Out and (ii) the Superpriority Claims granted in respect of the DIP Obligations. Except to the extent expressly set forth in this Final Order, the Prepetition Secured Parties shall not receive or retain any payments, property or other amounts in respect of the 507(b) Claims unless and until all DIP Obligations shall have indefeasibly been paid in full in cash and the Commitments have been terminated.

(c) *Fees and Expenses*. The Prepetition Agent shall receive from the Debtors reimbursement of all reasonable, actual and documented fees and expenses incurred or accrued by the Prepetition Agent under and pursuant to the Prepetition Loan Documents, including, without limitation, the reasonable, actual and documented fees and disbursements of counsel to the Prepetition Agent, whether incurred or accrued prior to or after the Petition Date. None of the fees and expenses payable pursuant to this paragraph 13(c) shall be subject to separate approval by this Court (but this Court shall resolve any dispute as to the reasonableness of any such fees and expenses), and no recipient of any such payment shall be required to file any interim or final fee application with respect thereto. Subject to any *bona fide* dispute as to the reasonableness of such fees and expenses, the Debtors shall pay the reasonable, actual and documented fees and expenses provided for in this paragraph 13(c) promptly (but no later than

ten (10) business days) after invoices for such fees and expenses shall have been submitted to the Debtors, and the Debtors shall promptly provide copies of such invoices to the Committee (if any) and the U.S. Trustee.

(d) *Information*. The Debtors shall promptly provide to the Prepetition Agent any written financial information or periodic reporting that is provided to, or required to be provided to, the DIP Agent or the DIP Lenders (or their advisors) and shall continue to provide to the Prepetition Agent and the Prepetition Secured Parties all financial and other reporting as provided prepetition in accordance with the Prepetition Loan Documents.

14. *Reservation of Rights of Prepetition Secured Parties*. Under the circumstances and given that the Adequate Protection is consistent with the Bankruptcy Code, this Court finds that the adequate protection provided herein is reasonable and sufficient to protect the interests of the Prepetition Secured Parties. Notwithstanding any other provision hereof, the grant of adequate protection to the Prepetition Agent and the Prepetition Secured Parties pursuant hereto is without prejudice to the right of the Prepetition Agent to seek modification of the grant of adequate protection provided hereby so as to provide different or additional adequate protection; provided, however, that any such additional or modified adequate protection shall at all times be subordinate and junior to the claims and liens of the DIP Agent and the DIP Lenders granted under this Final Order and the DIP Documents. Except as expressly provided herein, nothing contained in this Final Order (including without limitation, the authorization to use any Cash Collateral) shall impair or modify any rights, claims or defenses available in law or equity to the Prepetition Agent or any other Prepetition Secured Party.

15. *Perfection of DIP Liens and Adequate Protection Liens.*

(a) The DIP Agent and the Prepetition Agent are hereby authorized, but not required, to file or record financing statements, intellectual property filings, mortgages, notices of lien or similar instruments in any jurisdiction, take possession of or control over, or take any other action in order to validate and perfect the liens and security interests granted to them hereunder. Whether or not the DIP Agent on behalf of the DIP Lenders, or the Prepetition Agent on behalf of the respective Prepetition Secured Parties shall, in their respective sole discretion, choose to file such financing statements, intellectual property filings, mortgages, notices of lien or similar instruments, take possession of or control over, or otherwise confirm perfection of the liens and security interests granted to them hereunder, such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge, dispute or subordination as of the date of entry of this Final Order.

(b) A certified copy of this Final Order may, in the discretion of the DIP Agent or the Prepetition Agent, as the case may be, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Final Order for filing and recording.

(c) The Debtors shall execute and deliver to the DIP Agent and the Prepetition Agent, as the case may be, all such agreements, financing statements, instruments and other documents as the DIP Agent and the Prepetition Agent may reasonably request to evidence, confirm, validate or perfect the DIP Liens and the Adequate Protection Liens. All such documents will be deemed to have been recorded and filed as of the Petition Date.

(d) In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized to do and perform all acts to make, execute and deliver all instruments and documents and to pay all fees that may be reasonably required or necessary for the Debtors' performance hereunder.

16. *Preservation of Rights Granted Under the Final Order.*

(a) No claim or lien having a priority senior to or *pari passu* with those granted by this Final Order to the DIP Agent, the DIP Lenders, the Prepetition Agent and other the Prepetition Secured Parties shall be granted or allowed while any portion of the DIP Obligations, the Commitments, the Adequate Protection Obligations or the 507(b) Claims remain outstanding, and the DIP Liens and the Adequate Protection Liens shall not be subject or junior to any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code or subordinated to or made *pari passu* with any other lien or security interest (other than the Permitted Prepetition Liens, the Prepetition Secured Party Liens, and the Carve-Out).

(b) The Debtors shall not seek, and it shall constitute an Event of Default under the DIP Agreement and a termination of the right to use Cash Collateral if any of the Debtors seeks, or if there is entered, (i) any modification of this Final Order without the prior written consent of the DIP Agent and the Prepetition Agent, and no such consent shall be implied by any other action, inaction or acquiescence by the DIP Agent or the Prepetition Agent, or (ii) an order converting or dismissing any of the Cases.

(c) The DIP Agent, the DIP Lenders, the Prepetition Agent and the other Prepetition Secured Parties shall be entitled to all of the rights, remedies, privileges and benefits granted in section 364(e) of the Bankruptcy Code.

(d) Except as expressly provided in this Final Order or in the DIP Documents, the DIP Liens, the Superpriority Claims, the Adequate Protection Obligations, the Adequate Protection Liens, the 507(b) Claims and all other rights and remedies of the DIP Agent, the DIP Lenders, the Prepetition Agent and the Prepetition Secured Parties granted by this Final Order and the DIP Documents shall survive, and shall not be modified, impaired or discharged by (i) the entry of an order converting any of the Cases to a case under chapter 7 of the Bankruptcy Code, dismissing any of the Cases or by any other act or omission, or (ii) the entry of an order confirming a plan of reorganization in any of the Cases. The terms and provisions of this Final Order and the DIP Documents shall continue in the Cases, in any successor cases if the Cases cease to be jointly administered, or in any superseding chapter 7 cases under the Bankruptcy Code, and the DIP Liens, the Adequate Protection Liens, the Adequate Protection Obligations, the DIP Obligations, the Superpriority Claims, the Section 507(b) Claims, any other administrative expense claims granted pursuant to this Final Order, and all other rights and remedies of the DIP Agent, the DIP Lenders, the Prepetition Agent and the Prepetition Secured Parties granted by this Final Order and the DIP Documents shall continue in full force and effect until all DIP Obligations and all Adequate Protection Obligations are indefeasibly paid in full in cash.

17. *Effect of Stipulations on Third Parties*. The stipulations and admissions contained in this Final Order, including without limitation, in paragraph 4 of this Final Order: (a) shall be binding upon the Debtors for all purposes; and (b) shall be binding upon all other parties in interest, including without limitation, the Committee (if any), unless (i) any such Committee, which shall be deemed to have requisite standing, or any other party-in-interest with requisite standing, has duly filed an adversary proceeding (subject to the limitations contained

herein, including, without limitation, in paragraph 17) by no later than the date that is the later of (A) 60 days from the date of an order approving counsel for the Committee, or, if no Committee is appointed, 75 days after the date of this Final Order, subject to extension by the Court, after notice and a hearing, for cause shown, and (B) any such later date agreed to in writing by the Prepetition Agent in its sole and absolute discretion (X) challenging the validity, enforceability, priority or extent of the Prepetition Obligations or the liens on the Prepetition Collateral securing such Prepetition Obligations or (Y) otherwise asserting or prosecuting any Avoidance Actions or any other claims, counterclaims or causes of action, objections, contests or defenses (collectively, the "Claims and Defenses") against the Prepetition Agent or any of the other Prepetition Secured Parties or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors in connection with any matter related to the Prepetition Obligations or the Prepetition Collateral, and (ii) an order is entered by a court of competent jurisdiction and becomes final and non-appealable in favor of the plaintiff sustaining any such challenge or claim in any such duly filed adversary proceeding; provided that, as to the Debtors, all such Claims and Defenses are hereby irrevocably waived and relinquished as of the Petition Date. If no such adversary proceeding is duly and timely filed in respect of the Prepetition Obligations, (x) the Prepetition Obligations shall constitute allowed claims, not subject to counterclaim, setoff, subordination, recharacterization, defense or avoidance, for all purposes in the Cases and any subsequent chapter 7 case, (y) the liens on the Prepetition Collateral securing the Prepetition Obligations, as the case may be, shall be deemed to have been, as of the Petition Date, and to be, legal, valid, binding, perfected and of the priority specified in paragraph 4(b), not subject to defense, counterclaim, recharacterization, subordination or avoidance and (z) the Prepetition Obligations, the Prepetition Agent and the Prepetition Secured Parties, as the case

may be, and the liens on the Prepetition Collateral granted to secure the Prepetition Obligations shall not be subject to any other or further challenge by the Committee (if any) or any other party-in-interest, and such Committee or party-in-interest shall be enjoined from seeking to exercise the rights of the Debtors' estates, including without limitation, any successor thereto (including, without limitation, any estate representative or a chapter 7 or 11 trustee appointed or elected for any of the Debtors). If any such adversary proceeding is duly filed, the stipulations and admissions contained in paragraph 4 of this Final Order shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph) on the Committee [(if any)] and any other party-in-interest, except as to any such stipulations and admissions that were expressly and successfully challenged in such adversary proceeding as set forth in a final, non-appealable order of a court of competent jurisdiction. Nothing in this Final Order vests or confers on any Person (as defined in the Bankruptcy Code) (other than the Committee [(if any)] as provided above), standing or authority to pursue any cause of action belonging to the Debtors or their estates, including without limitation, Claims and Defenses with respect to the Prepetition Loan Documents or the Prepetition Obligations or any liens granted by any Debtor to secure any of the foregoing.

18. *Limitation on Use of DIP Financing and DIP Collateral*. The Debtors shall use the DIP Financing and the Prepetition Collateral (including the Cash Collateral) solely as provided in this Final Order and the DIP Documents. Notwithstanding anything herein or in any other order of this Court to the contrary, no Loans under the DIP Agreement, DIP Collateral, Prepetition Collateral (including the Cash Collateral) or the Carve-Out may be used to (a) object, contest or raise any defense to, the validity, perfection, priority, extent or enforceability of any amount due under the DIP Documents, the Prepetition Loan Documents or the liens or claims

granted under this Final Order, the DIP Documents or the Prepetition Loan Documents, (b) assert any Claims and Defenses or any other causes of action against the DIP Agent, the DIP Lenders, the Prepetition Agent, the other Prepetition Secured Parties or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors, in each case, solely in their capacity as Prepetition Secured Parties, (c) prevent, hinder or otherwise delay the DIP Agent's or the Prepetition Agent's assertion, enforcement or realization on the Prepetition Collateral or the DIP Collateral in accordance with the DIP Documents, the Prepetition Loan Documents or this Final Order, (d) seek to modify any of the rights granted to the DIP Agent, the DIP Lenders, the Prepetition Agent or the other Prepetition Secured Parties hereunder or under the DIP Documents or the Prepetition Loan Documents, in the case of each of the foregoing clauses (a) through (d), without such applicable party's prior written consent or (e) pay any amount on account of any claims arising prior to the Petition Date unless such payments are (i) approved by an order of this Court and (ii) permitted under the DIP Documents; provided that, notwithstanding anything to the contrary herein, no more than an aggregate of $200,000 of the Prepetition Collateral (including the Cash Collateral), Loans under the DIP Agreement, the DIP Collateral or the Carve-Out may be used by the Committee to investigate the validity, enforceability or priority of the Prepetition Obligations or the liens on the Prepetition Collateral securing the Prepetition Obligations, or investigate any Claims and Defenses or other causes action against the Prepetition Agent or the Prepetition Secured Parties.

19. *Exculpation* Nothing in this Final Order, the DIP Documents, or any other documents related to these transactions shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Agent, any DIP Lender, or any Prepetition Secured Party any liability for any claims arising from the prepetition or postpetition activities of the

Debtors in the operation of their business, or in connection with their restructuring efforts. So long as the DIP Agent, the DIP Lenders and the Prepetition Secured Parties comply with their obligations under the DIP Documents and the Prepetition Loan Documents (as applicable) and their obligations, if any, under applicable law (including the Bankruptcy Code), (a) the DIP Agent, DIP Lenders and the Prepetition Secured Parties shall not, in any way or manner, be liable or responsible for (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, servicer, bailee, custodian, forwarding agency or other person, and (b) all risk of loss, damage or destruction of the Collateral shall be borne by the Debtors.

20. *Final Order Governs*. In the event of any inconsistency between the provisions of this Final Order, the Interim Order and the DIP Documents, the provisions of this Final Order shall govern.

21. *Master Proofs of Claim.*

(a) To facilitate the processing of claims, to ease the burden upon this Court and to reduce any unnecessary expense to the Debtors' estates, (i) the PMCA Agent is authorized (but not required) to file a single master proof of claim (a "Master Proof of Claim") on behalf of itself and the PMCA Lenders on account of their claims arising under the PMCA and hereunder against all Debtors in the Borrower's case only; and (ii) the 15% Notes Agent/Trustee is authorized (but not required) to file a Master Proof of Claim on behalf of itself and the 15% Noteholders on account of their claims arising under the 15% Notes Indenture and hereunder against all Debtors in the Borrower's case only. Neither the PMCA Agent nor the 15% Notes Agent/Trustee shall be required to file a verified statement pursuant to Rule 2019 of the

Bankruptcy Rules in any of the Cases.

(b) Upon filing of a Master Proof of Claim by the PMCA Agent and/or the 15% Notes Agent/Trustee (as applicable), the PMCA Agent and/or the 15% Notes Agent/Trustee (as applicable) and each PMCA Lender and/or 15% Noteholder (as applicable) and each of their respective successors and assigns, shall be deemed to have filed a proof of claim in the amount set forth opposite its name therein in respect of its claims against each of the Debtors arising under the applicable Prepetition Loan Documents and the claims (as defined in section 101 of the Bankruptcy Code) of the PMCA Agent and/or the 15% Notes Agent/Trustee (as applicable) and each PMCA Lender and/or 15% Noteholder, as applicable (and each of their respective successors and assigns) named in the Master Proof of Claim shall be allowed as if each such entity had filed a separate proof of claim in each of the Cases in the amount set forth in the Master Proof of Claim; provided that the the PMCA Agent and/or the 15% Notes Agent/Trustee (as applicable) may, but shall not be required to, amend the Master Proof of Claim from time to time to, among other things, reflect a change in the holders of the claims set forth therein or a reallocation among such holders of the claims asserted therein resulting from any transfer of any such claims.

(c) The provisions set forth in paragraphs (a) and (b) above are intended solely for the purpose of administrative convenience and, except to the extent set forth herein or therein, neither the provisions of this paragraph nor the Master Proof of Claim shall affect the substantive rights of the Debtors, the Committee, the Prepetition Agent, the other Prepetition Secured Parties or any other party in interest or their respective successors in interest, including without limitation, the right of each Prepetition Secured Party (or its successor in interest) to vote separately on any plan of reorganization proposed in the Cases.

22. *Binding Effect; Successors and Assigns*. The DIP Documents and the provisions of this Final Order, including all findings herein, shall be binding upon all parties-in-interest in the Cases, including without limitation, the DIP Agent, the DIP Lenders, the Prepetition Agent, the Prepetition Secured Parties, the Committee (if any), and the Debtors and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for any of the Debtors, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors) and shall inure to the benefit of the DIP Agent, the DIP Lenders, the Prepetition Secured Parties and the Debtors and their respective successors and assigns; provided that, except to the extent expressly set forth in this Final Order, the DIP Agent, the Prepetition Agent, the DIP Lenders and the Prepetition Secured Parties shall have no obligation to permit the use of Cash Collateral or extend any financing to any chapter 7 trustee or similar responsible person appointed for the estates of the Debtors.

23. *Limitation of Liability*. In determining to make any Loan under the DIP Agreement, permitting the use of Cash Collateral or in exercising any rights or remedies as and when permitted pursuant to this Final Order or the DIP Documents, the DIP Agent, the Prepetition Agent, the DIP Lenders and the Prepetition Secured Parties shall not be deemed to be in "control" of the operations of the Debtors or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtors (as such terms, or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601 et seq. as amended, or any similar federal or state statute). Furthermore, nothing in this Final Order or in the DIP Documents shall in any way

be construed or interpreted to impose or allow the imposition upon the DIP Agent, the DIP Lenders, the Prepetition Agent or the Prepetition Secured Parties any liability for any claims arising from the prepetition or post-petition activities of any of the Debtors and their affiliates (as defined in section 101(2) of the Bankruptcy Code).

24. *Effectiveness.* This Final Order shall constitute findings of fact and conclusions of law and shall take effect immediately upon execution hereof as of the Petition Date, and there shall be no stay of execution of effectiveness of this Final Order.

Dated: November __, 2010
New York, New York

UNITED STATES BANKRUPTCY JUDGE

DRAFT 10/19/2010

EXHIBIT A

Initial 13-Week Projection

13-Week Cash Flow Forecast
($ in thousands)

Week Ended		Ch. 11 Filing 1	2	1	2	3	4	5	6	7	8	9	10	11	12	
		10/01/10 E	**10/08/10 E**	**10/15/10 E**	**10/22/10 E**	**10/29/10 E**	**11/05/10 E**	**11/12/10 E**	**11/19/10 E**	**11/26/10 E**	**12/03/10 E**	**12/10/10 E**	**12/17/10 E**	**12/24/10 E**	**12/31/10 E**	**Total**
Cash Receipts																
1.4GHz Spectrum Lease		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Roam-In		-	-	-	-	10	-	-	-	40	-	-	-	-	89	138
Handset Sales		-	-	-	-	-	-	-	-	-	-	-	-	-	321	321
Subtotal		-	-	-	-	10	-	-	-	40	-	-	-	-	410	459
Payroll																
Payroll		550	-	550	-	676	-	602	-	676	-	602	-	602	74	4,334
Health Care Benefits		133	17	-	17	133	17	-	17	133	17	-	17	133	17	651
Total Payroll & Benefits		683	17	550	17	809	17	602	17	809	17	602	17	735	91	4,985
Other Operating Costs																
Operational and Technical Facility Leases		206	-	-	-	-	206	-	-	-	93	113	-	-	-	619
CES Sites		83	-	-	-	-	83	-	-	-	-	83	-	-	-	249
North Las Vegas and Allan Park Operations		153	55	-	-	-	153	55	-	-	-	55	-	-	-	472
Satellite Ops Consultants		-	-	-	221	-	-	-	221	-	-	-	-	221	-	662
Network Operations & Circuits		-	-	204	-	-	-	204	-	-	200	-	204	-	-	813
Information Technology/ OSS / BSS		172	32	-	283	142	166	-	486	104	-	92	40	243	81	1,842
Business Operations		-	15	-	45	-	15	-	45	-	15	-	45	-	-	180
Sales & Marketing		18	-	-	20	-	18	-	20	-	18	-	20	-	-	114
Canada		26	200	-	-	20	26	200	-	20	26	200	616	200	20	1,554
Accounting		-	25	600	30	-	100	25	-	30	-	25	-	80	-	915
Legal / Regulatory		150	-	-	-	-	150	-	-	-	150	-	-	-	-	450
Taxes / Fees		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs		63	63	63	63	63	63	63	63	63	63	63	63	63	63	882
Total Other Operating Costs		872	390	867	662	225	981	547	835	217	565	632	988	807	164	7,869
Vendor Payments - Subtotal		195	3	-	1,373	127	3	319	2,486	114	3	68	100	1,288	561	6,638
Development																
Next Generation Chipset (Alcatel,QCom)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Handset Development Work (EB)			-	-	550	48	15	745	-	-	15	745	-	-	-	2,118
Hughes		-	-	-	-	-	-	78	-	200	-	78	-	-	-	357
Comneon		-	-	-	400	140	-	-	-	140	-	-	-	-	140	820
DVSI		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal		-	-	-	950	188	15	823	-	340	15	823	-	-	140	3,295
Total Operating Disbursements		1,750	410	1,417	3,002	1,350	1,015	2,292	3,337	1,480	600	2,125	1,105	2,830	956	23,668
Memo: Cumulative DIP Draws before Prof. Fees		-	-	-	*5,003*	*6,523*	*7,406*	*9,745*	*13,150*	*14,620*	*15,232*	*17,401*	*18,528*	*21,416*	*21,973*	*21,973*
Professional Fees																
Debtor Professionals		500	500	-	-	-	-	1,000	-	-	-	1,000	-	-	-	3,000
UCC / Other Unsecured Creditors		-	-	-	-	-	-	750	-	-	-	750	-	-	-	1,500
Case Fees		-	-	-	-	-	-	750	-	-	-	750	-	-	-	1,500
Senior Notes (Adequate Protection)		-	-	-	-	750	-	-	-	750	-	-	-	-	750	2,250
DIP Lenders		-	-	150	-	750	-	-	-	750	-	-	-	-	750	2,400
Subtotal		500	500	150	-	1,500	-	2,500	-	1,500	-	2,500	-	-	1,500	10,650
Bankruptcy Expenses																
Professional Fee Retainers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility Deposit		-	-	-	500	-	-	-	-	-	-	-	-	-	-	500
Subtotal		-	-	-	500	-	-	-	-	-	-	-	-	-	-	500
Cash Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements		2,250	910	1,567	3,502	2,850	1,015	4,792	3,337	2,980	600	4,625	1,105	2,830	2,456	34,818
Net Cash Flow		(2,250)	(910)	(1,567)	(3,502)	(2,840)	(1,015)	(4,792)	(3,337)	(2,941)	(600)	(4,625)	(1,105)	(2,830)	(2,046)	(34,359)

EXHIBIT E

[FORM OF]
INITIAL RECOGNITION ORDER

Please see attached.

Court File No.: CV-10-8944-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE JUSTICE MORAWETZ	)))	THURSDAY, THE 21 DAY OF OCTOBER, 2010

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

INITIAL RECOGNITION ORDER
(October 21, 2010)

THIS APPLICATION, made by TerreStar Networks Inc. ("TSNI") in its capacity as the foreign representative (the "Foreign Representative") of Motient Holdings Inc., Motient Communications Inc., Motient License Inc., Motient Services Inc., MVH Holdings Inc., Motient Ventures Holdings Inc., TerreStar National Services, Inc., TerreStar License Inc., TerreStar New York Inc., 0887729 B.C. Ltd. ("088 B.C."), TerreStar Networks Holdings (Canada) Inc. ("TSN Holdings") and TerreStar Networks (Canada) Inc. ("TSN Canada") (together with TSNI, the "Chapter 11 Debtors") and itself, for an Order substantially in the form enclosed in the Application Record was heard, this day at Toronto, Ontario.

ON READING the Notice of Application, the Affidavit of Jeffrey W. Epstein sworn on October 19, 2010 (the "Epstein Affidavit"), the Affidavits of Alexandra North sworn on October 20, 2010 and October 21, 2010 (collectively, the "North Affidavits"), the Preliminary Report of Deloitte & Touche Inc., in its capacity as proposed information

officer (the "Information Officer") dated October 20, 2010, and the consent of Deloitte & Touche Inc. to act as Information Officer, each filed, and upon being provided with copies of the voluntary petition for commencement of chapter 11 proceedings of the Chapter 11 Debtors, and the related orders of, the United States Bankruptcy Court for the Southern District of New York (the "U.S. Bankruptcy Court") dated October 20, 2010, in respect of the bankruptcy proceedings (as jointly administered, the "U.S. Bankruptcy Proceeding") for each of the Foreign Representative and the other Chapter 11 Debtors, including the order of the U.S. Bankruptcy Court authorizing TSNI to act in the capacity of a Foreign Representative on behalf of the Chapter 11 Debtors, and upon hearing the submissions of counsel for the Foreign Representative, counsel for the proposed Information Officer, counsel for the DIP Lenders (as defined in the Epstein Affidavit), counsel for certain lenders under the Senior Secured Notes (as defined in the Epstein Affidavit) and upon being advised that no other persons were served with the Notice of Application:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and that further service of the Notice of Application and the Application Record upon any interested person not served is dispensed with.

APPOINTMENT OF THE FOREIGN REPRESENTATIVE

2. **THIS COURT ORDERS AND DECLARES** that TSNI is the Foreign Representative of the Chapter 11 Debtors pursuant to Section 45 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") and is entitled to bring this application pursuant to Section 46 of the CCAA.

RECOGNITION OF THE U.S. BANKRUPTCY PROCEEDING

3. **THIS COURT ORDERS AND DECLARES** that the U.S. Bankruptcy Proceeding of the Chapter 11 Debtors is hereby recognized and given full force and effect in all provinces and territories of Canada as a "foreign main proceeding" for the purposes of Sections 47 and 48 of the CCAA.

STAY OF PROCEEDINGS

4. **THIS COURT ORDERS** that subject to further order of this Court, and for so long as the U.S. Bankruptcy Proceeding is continuing, (the "Stay Period"), no proceeding or enforcement process in any court or tribunal in Canada (each, a "Proceeding") including a Proceeding taken or that might be taken against the Chapter 11 Debtors under the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the "BIA") or the *Winding-up and Restructuring Act,* R.S.C. 1985, c. W-11, shall be commenced or continued against or in respect of the Chapter 11 Debtors or affecting their business in Canada (the "Business") or the property, assets, rights and undertaking which shall include any and all present and future property of every nature and kind whatsoever, and wheresoever situate, whether real or personal, and including all proceeds thereof, of any of the Chapter 11 Debtors in Canada and whether held by the Chapter 11 Debtors in whole or in part, directly or indirectly, as principal or nominee, beneficially or otherwise (collectively, the "Property"), except with the written consent of the Information Officer and the Foreign Representative and the relevant Chapter 11 Debtors, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Chapter 11 Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

EXERCISE OF RIGHTS OR REMEDIES

5. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, agency, governmental or quasi-governmental body, or other entity (all of the foregoing, collectively being "Persons" and each being a "Person") in respect of or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Information Officer and the Foreign Representative and the relevant Chapter 11 Debtors, or leave of this Court, provided that nothing in this Order shall (i) empower any of the Chapter 11 Debtors to carry on any business in Canada which the Chapter 11 Debtors are not lawfully entitled to carry on, (ii) empower the Chapter 11 Debtors to sell or otherwise dispose of, outside of the ordinary course of business, any of the Property in Canada that relates to the Business or empower the Chapter 11 Debtors from selling or otherwise disposing of any of its Property; *provided*

however; that nothing herein shall limit the Chapter 11 Debtors' right to seek approval in the U.S. Bankruptcy Proceeding or from this Court to sell or otherwise dispose of any of their Property, (iii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (iv) prevent the filing of any registration to preserve or perfect a security interest, or (v) prevent the registration of a claim for lien.

NON-INTERFERENCE WITH RIGHTS

6. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Chapter 11 Debtors in respect of or affecting the Property or Business, except with the written consent of the Information Officer, the Foreign Representative and the relevant Chapter 11 Debtors, or leave of this Court.

CONTINUATION OF SERVICES

7. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Chapter 11 Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business or the Chapter 11 Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Chapter 11 Debtors, and that the Chapter 11 Debtors shall be entitled to the continued use in Canada of, among other things, their current premises, telephone numbers, facsimile numbers, internet addresses and domain names provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Chapter 11 Debtors in accordance with normal payment practices of the Chapter 11 Debtors or such other practices as may be agreed upon by the supplier or service provider, the Information

Officer, the Foreign Representative and the relevant Chapter 11 Debtors, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

8. **THIS COURT ORDERS** that, notwithstanding anything else contained herein, no creditor of the Chapter 11 Debtors shall be under any obligation in Canada after the making of this Order to advance or re-advance any monies or otherwise extend any credit to the Chapter 11 Debtors except in accordance with the DIP Loan Documentation (as defined in the Supplemental Order dated October 21, 2010). Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

9. **THIS COURT ORDERS** that, subject to further order of this Court, and except as permitted by Section 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Chapter 11 Debtors with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Chapter 11 Debtors whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a plan of reorganization in respect of the Chapter 11 Debtors, if one is filed in the U.S. Bankruptcy Proceeding, is recognized by this Court and becomes effective in accordance with its terms or unless otherwise ordered by this Court.

AID AND ASSISTANCE OF OTHER COURTS

10. **THIS COURT REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States and the states of other subdivisions of the United States and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

11. **THIS COURT ORDERS AND DECLARES** that the Interim Initial Order made October 19, 2010 shall be of no further force and effect upon the issuance of this Order.

12. **THIS COURT ORDERS AND DECLARES** that this Order shall be effective as of the date and time of the making of this Order and that any rights exercised or purported to be exercised by any Person on this date which would be contrary to the terms of this Order are of no force and effect, and are null and void.

13. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, any interested person may apply to this Court to vary or rescind this Order or seek other relief upon seven (7) days notice to the Foreign Representative, the Chapter 11 Debtors and their counsel, the Information Officer and its counsel, counsel to the DIP Lenders and to any other party likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

OCT 21 2010

PER / PAR:

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

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

Court File No. CV-10-8944-00CL

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

INITIAL RECOGNITION ORDER

OCTOBER 21, 2010

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Counsel to the Applicant

Court File No.: CV-10-8944-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE JUSTICE MORAWETZ	)))	THURSDAY, THE 21 DAY OF OCTOBER, 2010

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

SUPPLEMENTAL ORDER
(October 21, 2010)

THIS APPLICATION, made by TerreStar Networks Inc. ("TSNI") in its capacity as the foreign representative (the "Foreign Representative") of Motient Holdings Inc., Motient Communications Inc., Motient License Inc., Motient Services Inc., MVH Holdings Inc., Motient Ventures Holdings Inc., TerreStar National Services, Inc., TerreStar License Inc., TerreStar New York Inc., 0887729 B.C. Ltd. ("088 B.C."), TerreStar Networks Holdings (Canada) Inc. ("TSN Holdings") and TerreStar Networks (Canada) Inc. ("TSN Canada") (together with TSNI, the "Chapter 11 Debtors") and itself, for an Order substantially in the form enclosed in the Application Record was heard, this day at Toronto, Ontario.

ON READING the Notice of Application, the Affidavit of Jeffrey W. Epstein sworn on October 19, 2010 (the "Epstein Affidavit"), the Affidavits of Alexandra North sworn on October 20, 2010 and October 21, 2010 (collectively, the "North Affidavits"), the Preliminary Report of Deloitte & Touche Inc., in its capacity as proposed information

officer (the "Information Officer") dated October 20, 2010, and the consent of Deloitte & Touche Inc. to act as Information Officer, each filed, and upon being provided with copies of the voluntary petition for commencement of chapter 11 proceedings of the Chapter 11 Debtors, and the related orders of, the United States Bankruptcy Court for the Southern District of New York (the "U.S. Bankruptcy Court") dated October 20, 2010, in respect of the bankruptcy proceedings (as jointly administered, the "U.S. Bankruptcy Proceeding") for each of the Foreign Representative and the other Chapter 11 Debtors, including the order of the U.S. Bankruptcy Court authorizing TSNI to act in the capacity of a Foreign Representative on behalf of the Chapter 11 Debtors, and upon hearing the submissions of counsel for the Foreign Representative, counsel for the proposed Information Officer, counsel for the DIP Lenders (as defined in the Epstein Affidavit), counsel for certain lenders under the Senior Secured Notes (as defined in the Epstein Affidavit) and upon being advised that no other persons were served with the Notice of Application:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and that further service of the Notice of Application and the Application Record upon any interested person not served is dispensed with.

2. **THIS COURT ORDERS** that any defined terms not otherwise defined herein shall have the meaning given to such terms as contained in the Initial Recognition Order dated October 21, 2010 (the "IRO").

3. **THIS COURT ORDERS AND DECLARES** that the terms of this Supplemental Order shall be subject to and in furtherance of the IRO and for greater certainty, and except as set out in paragraph 17 herein, shall not amend the IRO or in any way limit the force and effect of the IRO.

RECOGNITION OF THE U.S. BANKRUPTCY ORDERS

4. **THIS COURT ORDERS AND DECLARES** that the following orders of the U.S. Bankruptcy Court attached as Schedules "A" to "E" hereto (collectively, the "Chapter 11 Orders") be and are hereby recognized and given full force and effect and are and shall be in full force and effect in all provinces and territories of Canada pursuant to Section 49 of the CCAA:

(a) an Order Authorizing TerreStar Networks Inc. to Act as Foreign Representative Pursuant to 11 U.S.C. § 1505 (the "Foreign Representative Order");

(b) an 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) (the "U.S. Interim DIP Financing Order");

(c) an Interim Order (a) Authorizing, but Not Directing Debtors to Continue Using their Cash Management System, Bank Accounts and Business Forms, (b) Granting Postpetition Intercompany Claims Administrative Expense Priority and (c) Authorizing Continued Intercompany Transactions (the "U.S. Cash Management Order");

(d) an Interim Order (a) Authorizing, but Not Directing, Debtors (i) to Pay Certain Prepetition Wages and Reimbursable Employee Expenses, (ii) to Pay and Honor Employee Medical and Other Benefits and (iii) Continue Employee Benefits Programs and (b) Authorizing Financial Institutions to Honor all Related Checks and Electronic Payment Requests (the "U.S. Wages Order"); and

(e) an Order Directing Joint Administration of related Chapter 11 Cases (the "U.S. Joint Administration Order");

provided, however, that in the event of any inconsistency between the terms of the Chapter 11 Orders and the IRO and this Order, the terms of the IRO and this Order shall govern with respect to the Property (as defined in the IRO).

INFORMATION OFFICER

5. **THIS COURT ORDERS** that:

(a) Deloitte & Touche Inc. be and is hereby appointed as information officer (in such capacity, the "**Information Officer**"), as an officer of this Court;

(b) The Information Officer be and is hereby authorized and empowered, but not obligated, to provide such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may request; and

(c) The Information Officer shall deliver to the Court a report at least once every three (3) months outlining the status of these proceedings, the U.S. Bankruptcy Proceeding and such other information as the Information Officer believes to be material.

6. **THIS COURT ORDERS** that the Information Officer be and is hereby authorized and empowered to provide any stakeholder of the Chapter 11 Debtors with information obtained from the Chapter 11 Debtors in response to reasonable requests for information in respect of the Business or Property of the Chapter 11 Debtors, made in writing by such stakeholder addressed to the Information Officer. The Information Officer shall not have any responsibility or liability with respect to information disseminated by it pursuant to this paragraph. In the case of information that the Information Officer has been advised by the Chapter 11 Debtors is confidential, the Information Officer shall not provide such information to any stakeholder unless

otherwise directed by this Court or on such terms and conditions as the Information Officer, the Foreign Representative and the relevant Chapter 11 Debtors may agree.

7. **THIS COURT ORDERS** that the Information Officer shall not employ any employees of the Chapter 11 Debtors, shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the Chapter 11 Debtors and shall not, by fulfilling its obligations under this Order, be deemed to have taken or maintained possession, occupation, care or control of the Chapter 11 Debtors, or the Business or Property, or any part thereof, including, but not limited to, any Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation, or rehabilitation of the environment or relating to the disposal of waste or other contamination, including, but not limited to, the *Canadian Environmental Protection Act* or similar other federal or provincial legislation (the "Environmental Legislation"); *provided, however,* that nothing herein shall exempt the Information Officer from any duty to report or make disclosure imposed by applicable Environmental Legislation.

8. **THIS COURT ORDERS** that the appointment of the Information Officer shall not constitute the Information Officer to be an employer or a successor employer or payor within the meaning of any legislation governing employment or labour standards or pension benefits or health and safety or any other statute, regulation or rule of law or equity for any purpose whatsoever and, further, that the Information Officer shall be deemed not to be an owner or in possession, care, control, or management of the Property or Business of the Chapter 11 Debtors whether pursuant to Environmental Legislation, or any other statute, regulation or rule of law or equity under any federal, provincial or other jurisdiction for any purpose whatsoever.

9. **THIS COURT ORDERS** that the Information Officer and counsel to the Information Officer shall each be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Chapter 11 Debtors as part of the costs of

these proceedings. The Chapter 11 Debtors are authorized to pay the accounts of the Information Officer and counsel for the Information Officer on a bi-weekly basis. The payments in respect of the Information Officer and its counsel shall not be subject to approval in the U.S. Bankruptcy Proceeding. In addition, the Chapter 11 Debtors are authorized to pay the Information Officer a retainer of CDN $125,000 to be held by the Information Officer as security for payment of its and its counsel's fees and disbursements outstanding from time to time.

10. **THIS COURT ORDERS** that the Information Officer and its counsel, as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a first ranking charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of CDN $125,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Information Officer and such counsel, both before and after the making of this order in respect of the Chapter 11 Debtors' reorganization.

11. **THIS COURT ORDERS** that the fees and expenses of the Information Officer and its counsel shall be subject to the passing of accounts by this Court, and the Information Officer and its counsel shall not be required to pass their accounts in the U.S. Bankruptcy Proceeding, or in any other foreign proceeding.

12. **THIS COURT ORDERS** that the Foreign Representative, the other Chapter 11 Debtors, the Information Officer and the DIP Lenders shall incur no liability or obligation as a result of the appointment of the Information Officer or the fulfilment of the duties of the Information Officer in the carrying out of the provisions of this Order or any other order of this Court, and the Information Officer shall have the benefit of all of the rights and protections afforded to a Monitor under the CCAA, provided that, for greater certainty, the obligations of the Information Officer shall be limited to those expressly set forth in this Order; provided, however, that with respect to the Information Officer, the foregoing shall not apply in respect of acts of gross negligence or wilful misconduct by the Information Officer as determined by final order of this Court. Further, no action or

other proceeding shall be commenced against the Foreign Representative, the other Chapter 11 Debtors, the Information Officer or the DIP Lenders in any Court or other tribunal as a result of or relating in any way to the appointment of the Information Officer, the fulfilment of the duties of the Information Officer or the carrying out of this or any other orders of this Court, unless the leave of this Court is first obtained on motion on at least seven (7) days' notice to the Information Officer, the Foreign Representative, the DIP Lenders and the parties on the service list.

DIP FINANCING

13. **THIS COURT ORDERS AND DECLARES** that, the security interests, liens and charges to be granted in and over all of the Property (the "DIP Charge"), and the priority accorded thereto, as contemplated by 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 by the U.S. Bankruptcy Court on October 20, 2010, as security for performance of the Chapter 11 Debtors' obligations under the DIP Loan Agreement (as defined in the Epstein Affidavit) and related loan documentation (together with the DIP Loan Agreement, the "DIP Loan Documentation") are hereby recognized on the terms set out in the U.S. Interim DIP Financing Order, the Property is charged in favour of the DIP Agent (as defined in the Epstein Affidavit) and such security interests, liens and charges are and shall constitute a fixed and floating security interest, lien and charge in and against the Property, senior to all other security interests, liens and charges other than the Administration Charge, the Prepetition Secured Party Liens, the Permitted Prepetition Liens and the Carve-Out (as such terms are defined in the U.S. Interim DIP Financing Order) as security for the obligations of the Canadian Debtors (as that term is defined in paragraph 14 below) and the performance of all of the obligations of the Canadian Debtors, all pursuant to, in accordance with, and, as set forth in the DIP Loan Documentation and U.S. Interim DIP Financing Order.

14. **THIS COURT ORDERS AND DECLARES** that, 088 B.C., Holdings Canada and TerreStar Canada (together, the "Canadian Debtors") are authorized and empowered, to enter into, and to execute and deliver in favour of the DIP Agent and the DIP Lenders, the DIP Loan Documentation and any mortgages, charges, hypothecs, pledges, security or other documents as are contemplated or required by the terms of the DIP Loan Documentation, including without limitation in respect of the Property, and to perform their respective obligations thereunder, and for certainty, this Court orders and declares that the execution and delivery of the DIP Loan Agreement by each of the Canadian Debtors is ratified and approved.

15. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, the IRO or any other Orders granted in these proceedings:

(a) The DIP Lenders may (but are not required to) take such steps from time to time as they may deem necessary or appropriate to file, register, record or perfect the DIP Charge or any of the DIP Loan Documentation; and

(b) Upon the occurrence of an event of default under the DIP Loan Documentation, provided the DIP Agent and the DIP Lenders are authorized in the U.S. Bankruptcy Proceeding, the DIP Agent and the DIP Lenders may exercise all of their rights and remedies under the U.S. Interim DIP Financing Order and the DIP Loan Documentation in accordance with the terms thereof in respect of the Business and Property and without further Order or application to this Court.

VALIDITY AND PRIORITY OF CHARGES

16. **THIS COURT ORDERS** that, without limiting 13 above, the priorities of the Administration Charge and the DIP Charge, as among them, shall be as set out in the U.S. Interim DIP Financing Order and the DIP Loan Documentation, which for greater certainty, as among them, is as follows:

First – Administration Charge (to the maximum amount of $125,000 and in respect of the Property only); and

Second – DIP Charge.

17. **THIS COURT ORDERS** that the filing, registration or perfection of the Administration Charge or the DIP Charge (collectively, the "Charges") in Canada shall not be required, and that the Charges are and shall be valid and enforceable against the Property for all purposes in Canada, including, without limitation, as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect the Charges.

18. **THIS COURT ORDERS** that the Administration Charge and the DIP Charge and the DIP Loan Documentation shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") and/or the DIP Lender under the DIP Loan Documentation shall not be limited or impaired in any way by (a) the pendency of these proceedings and any declarations of insolvency made in these proceedings; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy orders made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of any security interests, trusts, liens, charges, encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Chapter 11 Debtors, and notwithstanding any provision to the contrary in any such Agreement or otherwise:

(i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Loan Documentation shall create or be deemed to constitute a breach by the Chapter 11 Debtors of any Agreement to which it is a party;

(ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Chapter 11 Debtors entering into the DIP Loan Documentation, the creation of the Charges, or the execution, delivery or performance of the DIP Loan Documentation; and

(iii) the payments made by the Chapter 11 Debtors pursuant to this Order, the DIP Loan Documentation, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

19. **THIS COURT ORDERS** that the DIP Charge and the Administration Charge shall attach to the Property (including, without limitation, any lease, sub-lease, offer to lease, license, permit or other contract), notwithstanding any requirement for the consent of the lessor or other party to any such lease, license, permit or contract or any other person or the failue to comply with any other condition precedent.

20. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Chapter 11 Debtors' interest in such real property leases.

AID AND ASSISTANCE OF OTHER COURTS

21. **THIS COURT REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States and the states of other subdivisions of the United States and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

GENERAL PROVISIONS

22. **THIS COURT ORDERS** that the Information Officer or the Foreign Representative may, from time to time, apply to this Court for advice, directions, or for such further or other relief as they may advise in connection with the proper execution of this Order, the IRO or the discharge or variation of their respective powers and duties under this Order.

23. **THIS COURT ORDERS** that nothing in this Order shall prevent the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Chapter 11 Debtors, or in respect of the Business or the Property, upon further order of the Court.

24. **THIS COURT ORDERS** that each of the Foreign Representative, the other Chapter 11 Debtors and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order or the IRO.

SERVICE AND NOTICE

25. **THIS COURT ORDERS** that the Foreign Representative or the Information Officer, as the case may be, are at liberty to serve this Order, the IRO, any other orders in this proceeding, all other proceedings, notices and documents by prepaid ordinary mail, courier, personal delivery or electronic transmission to any interested party that has filed a notice of appearance in these recognition proceedings, at their addresses shown on their notice of appearance and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding, or if sent by ordinary mail, on the second business day after mailing.

26. **THIS COURT ORDERS** that any party to these proceedings, including the Information Officer, may serve any court materials in these proceedings (including without limitation, application records, motion records, facta and orders) on all parties

electronically by emailing a PDF or other electronic copy of such materials to parties' e-mail addresses as recorded on the service list and the Information Officer will post a copy of the materials, including this Order and the IRO, on its website at **www.deloitte.com/ca/terrestar-networks** as soon as is practicable.

27. **THIS COURT ORDERS** that within 5 days from the date of this Order, or as soon as practicable thereafter, the Information Officer shall publish a notice as required by subsection 53(b) of the CCAA substantially in the form attached to this Order as Schedule "F" in The Globe and Mail (National Edition) for one (1) day in two (2) consecutive weeks without delay following the issuance of this Order.

28. **THIS COURT ORDERS AND DECLARES** that this Order shall be effective as of the date and time of the making of this Order and that any rights exercised or purported to be exercised by any Person on this date which would be contrary to the terms of this Order are of no force and effect, and are null and void.

29. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, any interested person may apply to this Court to vary or rescind this Order or seek other relief upon seven (7) days notice to the Foreign Representative, the Chapter 11 Debtors and their counsel, the Information Officer and its counsel, counsel to the DIP Lenders and to any other party likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

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SCHEDULES "A" – "F"

SCHEDULES "A" – "F"

SCHEDULE A

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
TERRESTAR NETWORKS INC., *et al.*,[1]	)	Case No. 10-15446 (SHL)
Debtors.	)	Jointly Administered

ORDER AUTHORIZING TERRESTAR NETWORKS INC.
TO ACT AS FOREIGN REPRESENTATIVE PURSUANT TO 11 U.S.C. § 1505

Upon the motion (the "***Motion***")[2] of the above-captioned debtors (collectively, the "***Debtors***") for entry of an order authorizing TerreStar Networks Inc. (***"TSN"***) to act as the Foreign Representative on behalf of the Debtors' estates in any judicial or other proceedings in a foreign country, including in the Canadian Proceedings, and upon the First Day Declaration; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and it appearing that this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding and this Motion in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and notice of the Motion appearing to be adequate and appropriate under the circumstances; and any objections to the requested relief having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefore, it is hereby ORDERED that:

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

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

1. The Motion is granted to the extent set forth herein.

2. TSN is hereby authorized to act as the Foreign Representative on behalf of the Debtors' estates in ~~any judicial or other proceeding held in a foreign country, including in~~ the Canadian Proceedings. As Foreign Representative, TSN shall be authorized and shall have the power to act in any way permitted by applicable foreign law, including, but not limited to: (i) seeking recognition of these chapter 11 cases in the Canadian Proceedings; (ii) requesting that the Canadian Court lend assistance to this Court in protecting the property of the Debtors' estates; and (iii) seeking any other appropriate relief from the Canadian Court that TSN deems just and proper in the furtherance of the protection of the Debtors' estates.

3. This Court requests the aid and assistance of the Canadian Court to recognize these cases as a "foreign main proceeding" and TSN as a "foreign representative" pursuant to the CCAA and to recognize and give full force and effect in all provinces and territories of Canada to this Order.

4. The Debtors are authorized to take all actions they determine necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

5. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

Dated: ***October 20, 2010***
New York, New York

/s/ Sean H. Lane
United States Bankruptcy Judge

SCHEDULE B

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
TERRESTAR NETWORKS INC., *et al.*,[1]	)	Case No. 10-15446 (SHL)
Debtors.	)	Joint Administration Requested

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)

Upon the motion, dated October 19, 2010 (the "***Motion***"), of TerreStar Networks Inc. ("***TSN***") and each of its affiliated debtors and debtors in possession (collectively, the "***Debtors***") in the above-captioned cases (the "***Cases***") commenced on October 19, 2010 (the "***Petition Date***"), for interim and final orders under sections 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e) of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (as amended, the "***Bankruptcy Code***"), and Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (as amended, the "***Bankruptcy Rules***"), and the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York (the "***Local Rules***"), seeking:

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

(I) authorization (a) for TSN (the "***Borrower***") to obtain up to $75 million (plus fees, interest and other amounts to be capitalized in accordance with the terms of the DIP Documents (defined below)) in aggregate principal amount of postpetition financing (the "***DIP Financing***") on the terms and conditions set forth in this interim order (this ***"Order"***) and that certain Debtor-In-Possession Credit, Security & Guaranty Agreement (substantially in the form annexed to the Motion as Exhibit A, and as hereafter amended, supplemented or otherwise modified from time to time, the "***DIP Agreement***";[2] and, collectively with all agreements, guaranties, collateral agreements, documents and instruments delivered or executed from time to time in connection therewith, as hereafter amended, supplemented or otherwise modified from time to time, the "***DIP Documents***"), among the Borrower, the Guarantors (as defined below), EchoStar Corporation ("***EchoStar***" or the "***Initial Lender***"), and the other lenders that may become party thereto from time to time (collectively, the "***DIP Lenders***"), and The Bank of New York Mellon, as Administrative Agent and Collateral Agent (in such capacity, the "***DIP Agent***"), and (b) for each of the Debtors other than the Borrower (the "***Guarantors***"), to jointly and severally (except as provided in section 10.17 of the DIP Agreement) guaranty on a secured basis the Borrower's obligations in respect of the DIP Financing;

(II) authorization for the Debtors to execute and deliver the DIP Agreement and the other DIP Documents and to perform such other and further acts as may be necessary or appropriate in connection therewith;

[2] Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the DIP Agreement.

(III) authorization for the Debtors to use the Cash Collateral (as defined in paragraph 3(g) below) pursuant to sections 361, 362 and 363 of the Bankruptcy Code, and all other Prepetition Collateral (as defined in paragraph 3(d) below);

(IV) to grant adequate protection to the PMCA Agent, each PMCA Lender, the 15% Notes Trustee/Agent, and the 15% Noteholders (each as defined below, and together, the "***Prepetition Secured Parties***" and, excluding the 15% Noteholders, the "***Prepetition Secured Notice Parties***") with respect to such use of Cash Collateral and any diminution in the value of the Prepetition Collateral securing the Debtors' obligations (the "***Prepetition Secured Obligations***") under or in connection with: (i) that certain Terrestar-2 Purchase Money Credit Agreement, dated as of February 5, 2008 (as amended, restated, supplemented or otherwise modified from time to time, and including any mortgage, security, pledge, control or guaranty agreements or other documentation executed in connection with the foregoing, the "***PMCA***"), among TSN, as borrower, U.S. Bank National Association, as collateral agent (in such capacity, the "***PMCA Agent***"), the guarantors party thereto from time to time, and Harbinger Capital Partners Master Fund 1, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and EchoStar, as lenders (the "***PMCA Lenders***"); and (ii) the 15.0% senior secured payment-in-kind notes due 2014 (the "***15% Notes***") issued pursuant to that certain Indenture, dated as of February 14, 2007, among TSN, as issuer, U.S. Bank National Association, as indenture trustee and collateral agent (in such capacity, the "***15% Notes Trustee/Agent***" and together with the PMCA Agent, the "***Prepetition Agent***"), and the guarantors from time to time party thereto (as amended, restated, supplemented or otherwise modified from time to time, including by that certain First Supplemental Indenture, dated as of February 7, 2008, and that certain Second Supplemental Indenture, dated as of February 7, 2008, and including any mortgage, security, pledge, control or

guaranty agreements or other documentation executed in connection with the foregoing, the "*15% Notes Indenture*" and, together with the PMCA, the "***Prepetition Loan Documents***");

(V) authorization for the DIP Agent to, subject to paragraph 8 below, upon the occurrence and continuance of an Event of Default: (a) reduce the amount of or terminate any outstanding Commitments under the DIP Agreement, (b) terminate the DIP Agreement, (c) charge the default rate of interest on the Loans, (d) declare the entirety of the Loans to be due and payable, and/or (e) subject to the Carve-Out (as defined in paragraph 6(b) below), exercise any and all remedies under applicable law (including the UCC and PPSA);

(VI) **subject to entry of the Final Order, the waiver by the Debtors of any right to seek to surcharge the DIP Collateral (as defined in paragraph 7 below) pursuant to section 506(c) of the Bankruptcy Code or any other applicable law or principle of equity, which grant constitutes an "extraordinary provision" (a "*Material Provision*") under General Order M-274 of the United States Bankruptcy Court for the Southern District of New York;**

(VII) at an interim hearing (the "***Interim Hearing***") on the Motion before this Court, pursuant to Bankruptcy Rule 4001, entry of this Order: (a) authorizing the Borrower, on an interim basis, to borrow under the DIP Agreement an aggregate principal amount, not to exceed $18 million (plus fees, interest and other amounts to be capitalized in accordance with the terms of the DIP Documents) at any time outstanding prior to the entry of the Final Order, (b) authorizing the Debtors, on an interim basis, to use the Cash Collateral and the other Prepetition Collateral, and (c) granting, on an interim basis, adequate protection to the Prepetition Secured Parties; and

(VIII) scheduling, pursuant to Bankruptcy Rule 4001, a final hearing (the "***Final Hearing***") for this Court to consider entry of a final order, substantially in the form attached to the DIP Agreement as Exhibit D (the "***Final Order***"), authorizing and approving on a final basis the relief requested in the Motion, including without limitation, for the Borrower on a final basis to utilize the DIP Financing and for the Debtors to continue to use the Cash Collateral and the other Prepetition Collateral subject to the terms of the DIP Documents and the Final Order.

The Interim Hearing having been held by this Court on October 20, 2010, and upon the record made by the Debtors at the Interim Hearing, including, without limitation, the admission into evidence of (i) the First Day Declaration, (ii) the Epstein DIP Declaration, and (iii) Zelin Declaration (each as defined in the Motion), each of which was filed on the Petition Date, and the other evidence submitted or adduced and the arguments of counsel made at the Interim Hearing and after due deliberation and consideration and sufficient cause appearing therefor;

IT IS FOUND, DETERMINED, ORDERED AND ADJUDGED, that:

1. *Jurisdiction/Venue.* This Court has core jurisdiction over the Cases, this Motion, and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. *Notice.* Based upon the Debtors' representations, notice of the Motion and the relief requested therein, and the relief requested at the Interim Hearing was served by the Debtors by electronic mail, facsimile, or overnight mail to: (a) the Office of the United States Trustee for the Southern District of New York (the "***U.S. Trustee***"); (b) the entities listed on the Consolidated List of Creditors Holding the 30 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) The Bank of New York Mellon as agent for the Debtors' proposed

postpetition debtor-in-possession financing; (d) Emmet, Marvin & Martin LLP as counsel to the agent for the Debtors' proposed postpetition debtor-in-possession financing; (e) U.S. Bank National Association as Collateral Agent for the Debtors' purchase money credit facility and Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and EchoStar Corporation as Lenders thereunder; (f) Weil, Gotshal & Manges LLP as counsel to Harbinger Capital Partners Master Fund I, Ltd. and Harbinger Capital Partners Special Situations Fund, L.P. in their capacity as Lenders under the Debtors' purchase money credit facility; (g) Willkie Farr & Gallagher LLP as counsel to EchoStar Corporation in its capacity as Lender under the Debtors' purchase money credit facility and Initial Lender under the Debtors' proposed postpetition debtor-in-possession financing; (h) U.S. Bank National Association as Indenture Trustee for the Debtors' 15% Senior Secured Notes; (i) U.S. Bank National Association as Indenture Trustee for the Debtors' 6.5% Senior Exchangeable Notes; (j) Quinn Emanuel Urquhart & Sullivan, LLP as counsel to an Ad Hoc group of the Debtors' 6.5% Senior Exchangeable Notes; (k) the Internal Revenue Service; (l) the Securities and Exchange Commission; (m) the United States Attorney for the Southern District of New York; and (n) the Federal Communications Commission. Under the circumstances, the notice provided of the Motion, the relief requested therein and the Interim Hearing constitutes due and sufficient notice thereof, complies with Bankruptcy Rules 4001(c) and (d) and the Local Rules, and no further notice of the relief sought at the Interim Hearing and the relief granted herein is necessary or required.

3. *Debtors' Stipulations.* Subject to the limitations contained in paragraph 16 below, the Debtors admit, stipulate, and agree that:

(a) as of the Petition Date, certain of the Debtors were justly and lawfully indebted and liable, without defense, counterclaim or offset of any kind, to the PMCA Lenders, in the amount of not less than $85.9 million of principal and accrued interest (such obligations, in addition to the obligations described below, the "***Prepetition PMCA Obligations***"), in respect of loans or other financial accommodations made by the PMCA Lenders pursuant to, and in accordance with the terms of, the PMCA, plus, in each case, accrued and unpaid interest thereon and costs and expenses and other obligations owing under the PMCA;

(b) as of the Petition Date, certain of the Debtors were justly and lawfully indebted and liable, without defense, counterclaim or offset of any kind, to the holders of 15% Notes (the "***15% Noteholders***"), in the amount of not less than $943.9 million of principal and accrued interest (such obligations, in addition other obligations described below in this paragraph, the "***Prepetition 15% Notes Obligations***" and, together with the Prepetition PMCA Obligations the "***Prepetition Obligations***"), in respect of loans or other financial accommodations made by the 15% Noteholders pursuant to, and in accordance with the terms of, the 15% Notes Indenture, plus, in each case, accrued and unpaid interest thereon and costs and expenses and other obligations owing under the 15% Notes Indenture;

(c) the liens and security interests granted to the PMCA Agent to secure the Prepetition PMCA Obligations (the "***PMCA Liens***") are (i) valid, binding, perfected, enforceable, first priority (subject to permitted exceptions under the PMCA) liens on and security interests in the personal and real property constituting "Collateral" under, and as defined in, the PMCA (including Cash Collateral, the "***PMCA Collateral***"), (ii) not subject to objection, defense, counterclaim, offset, contest, attachment, avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law, and (iii) subject and

subordinate only to valid, perfected and unavoidable liens permitted under the PMCA to the extent such permitted liens are senior to the liens securing the PMCA (the "***PMCA Permitted Prepetition Liens***") and the Carve-Out (as defined in paragraph 6(b) below);

(d) the liens and security interests granted to the 15% Notes Trustee/Agent to secure the Prepetition 15% Notes Obligations (the "***15% Notes Liens***" and, together with the PMCA Liens, the "***Prepetition Secured Party Liens***") are (i) valid, binding, perfected, enforceable, first priority (subject to permitted exceptions under the 15% Notes Indenture) liens on and security interests in the personal and real property constituting "Collateral" under, and as defined in, the 15% Notes Indenture (including Cash Collateral, the "***15% Notes Collateral***" and, together with the PMCA Collateral, the "***Prepetition Collateral***"), (ii) not subject to objection, defense, counterclaim, offset, contest, attachment, avoidance, recharacterization or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law, and (iii) subject and subordinate only to valid, perfected and unavoidable liens permitted under the 15% Notes Indenture to the extent such permitted liens are senior to the liens securing the Prepetition 15% Notes Obligations (the "***15% Notes Permitted Prepetition Liens***" and, together with the PMCA Permitted Prepetition Liens, the "***Permitted Prepetition Liens***") and the Carve-Out;

(e) the Prepetition Obligations constitute the legal, valid and binding obligations of the Debtors, enforceable in accordance with their terms (other than in respect of the stay of enforcement arising under section 362 of the Bankruptcy Code);

(f) (i) no portion of the Prepetition Obligations shall be subject to objection, defense, counterclaim, offset, avoidance, recharacterization, recovery or subordination pursuant to the Bankruptcy Code or applicable nonbankruptcy law, and (ii) the Debtors do not have, and hereby forever release, any claims (as defined in section 101(5) of the Bankruptcy Code),

counterclaims, causes of action, defenses, setoff or recoupment rights, whether arising under the Bankruptcy Code or applicable nonbankruptcy law, against the Prepetition Secured Parties and their respective affiliates, subsidiaries, agents, officers, directors, employees, attorneys and advisors, in each case, solely in their capacity as Prepetition Secured Parties; and

(g) a portion of the Debtors' cash constitutes Prepetition Collateral and, therefore, is cash collateral of the Prepetition Secured Parties within the meaning of section 363(a) of the Bankruptcy Code (the "***Cash Collateral***").

4. *Findings Regarding the DIP Financing.* The Court is satisfied based upon the Debtors' representations that:

(a) The Debtors have an immediate need to obtain the DIP Financing and to use the Prepetition Collateral, including any Cash Collateral, in order to, among other things, permit the orderly continuation of their businesses, preserve the going concern value of the Debtors, pay the costs of administration of their estates and for the other purposes set forth in the DIP Documents. The Debtors' use of the Prepetition Collateral (including the Cash Collateral) and the DIP Financing is necessary to ensure that the Debtors have sufficient working capital and liquidity to preserve and maintain the going concern value of the Debtors' estates. Good cause has, therefore, been shown for entry of this Order.

(b) The Debtors are unable to obtain financing on more favorable terms from sources other than the DIP Lenders pursuant to, and for the purposes set forth in, the DIP Documents and are unable to obtain adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense. The Debtors are also unable to obtain secured credit allowable under sections 364(c)(1), 364(c)(2) and 364(c)(3) of the Bankruptcy Code without the Debtors granting to the DIP Agent for the benefit of itself and the DIP Lenders,

subject to the Carve-Out, (i) the DIP Liens (as defined in paragraph 7 below), including the priming DIP Liens described in paragraph 7(b) below, and (ii) the Superpriority Claims (as defined in paragraph 6(a) below), in each case on the terms and conditions set forth in this Order and the DIP Documents. Specifically, no party or parties other than the DIP Lenders would provide postpetition financing to the Debtors absent the Debtors granting such parties priming liens on the Debtors' assets pursuant to section 364(d)(1) of the Bankruptcy Code, and the Debtors were unable to satisfy the requirements of section 364(d)(1) of the Bankruptcy Code.

(c) The terms of the DIP Documents and the use of the Prepetition Collateral (including the Cash Collateral) pursuant to this Order and the DIP Agreement reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties. The Debtors will receive and have received fair and reasonable consideration in exchange for access to the DIP Financing and all other financial accommodations provided under the DIP Documents and this Order.

(d) The DIP Documents and the terms and conditions of the Debtors' use of the Prepetition Collateral (including the Cash Collateral) have been the subject of negotiations conducted in good faith and at arm's length among the Debtors, the DIP Agent, the DIP Lenders, the Prepetition Agent and the PMCA Lenders, and all of the Debtors' obligations and indebtedness arising under or in connection with the DIP Financing, including without limitation, (i) all Loans made to, and guaranties issued by, the Debtors pursuant to the DIP Agreement, (ii) the Debtors' obligation to pay all reasonable costs and expenses of (a) the Initial Lender (including all reasonable, actual and documented fees, expenses and disbursements of the Initial Lender's counsel and financial advisors, i.e., Willkie Farr & Gallagher LLP, Sullivan & Cromwell LLP, Goodmans LLP, Steptoe & Johnson LLP, and Lazard Ltd.,a nd (b) the DIP

Agent (including all reasonable, actual and documented fees, expenses and disbursements of the DIP Agent's counsel, i.e., Emmet, Marvin & Martin, LLP) in connection with the preparation, execution and delivery of the DIP Agreement and the funding of the DIP Financing, and (iii) all other obligations (including, without limitation, indemnification and fee obligations) of the Debtors under the DIP Documents and this Order now or hereafter owing to the DIP Agent or any DIP Lender (collectively, (i), (ii) and (iii), the "***DIP Obligations***") shall be deemed to have been extended by the DIP Agent and the DIP Lenders in "good faith" as such term is used in section 364(e) of the Bankruptcy Code, and in express reliance upon the protections set forth therein, and shall be entitled to the full protection of section 364(e) of the Bankruptcy Code, in the event that this Order or any provision hereof is vacated, reversed or modified on appeal or otherwise.

(e) The Debtors have requested immediate entry of this Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2) and Local Rule 4001-2. Absent the interim relief set forth in this Order, the Debtors' estates will be immediately and irreparably harmed. Consummation of the DIP Financing and authorization of the use of the Prepetition Collateral (including the Cash Collateral) in accordance with this Order and the DIP Documents are, therefore, in the best interest of the Debtors' estates and are consistent with the Debtors' fiduciary duties.

5. *Authorization Of The DIP Financing And The DIP Documents.*

(a) The Debtors are hereby authorized, without stockholder, member or board of directors (or similar body) approval, to enter into and perform their obligations under the DIP Documents and, in the case of (i) the Borrower, to borrow thereunder up to an aggregate principal amount of $18 million (plus fees, interest and other amounts to be capitalized in

accordance with the terms of the DIP Documents) for working capital and other general corporate purposes of the Debtors and to pay interest, fees and all other expenses provided for in the DIP Documents, pending entry of the Final Order, all in accordance with the terms of this Order, the DIP Agreement and the other DIP Documents, and (ii) the Guarantors, to jointly and severally (except as provided in section 10.17 of the DIP Agreement) guaranty such borrowing and all other DIP Obligations.

(b) The Debtors are authorized to use the proceeds of borrowings under the DIP Agreement and Cash Collateral in accordance with and to the extent permitted by the DIP Documents.

(c) On an interim basis, in furtherance of the foregoing and without further approval of this Court, each Debtor is authorized, and the automatic stay imposed by section 362 of the Bankruptcy Code is hereby lifted to the extent necessary, to perform all acts and to execute and deliver all instruments and documents that the DIP Agent or the Initial Lender determines to be reasonably required or necessary for the Debtors' performance of their obligations under the DIP Documents, including without limitation:

(i) the execution, delivery and performance of the DIP Documents;

(ii) the execution, delivery and performance of one or more amendments, waivers, consents or other modifications to and under the DIP Documents, in each case in such form as the Debtors, the DIP Agent and the requisite DIP Lenders may agree, and no further approval of this Court shall be required for immaterial amendments, waivers, consents or other modifications to and under the DIP Documents (and any fees paid in connection therewith) that do not (A) shorten the maturity of the Loans or (B) increase the Commitments or the rate of interest payable on the Loans under the DIP Agreement; provided, that a copy of any

amendment, waiver, consent or other modification to the DIP Documents shall be provided by the Debtors to (X) the U.S. Trustee, (Y) counsel to any statutory committee of unsecured creditors appointed in the Cases (the "*Committee*"), if any and (Z) counsel to the Prepetition Secured Notice Parties;

(iii) the non-refundable payment to the DIP Agent, its affiliates and the DIP Lenders, as the case may be, of (A) the fees set forth in the DIP Documents (including, without limitation, the fees provided for in the Fee Schedule, dated October 7, 2010, between the Borrower and the DIP Agent) and (B) such reasonable, actual, and documented costs and expenses as may be due from time to time under the DIP Documents, all as provided in the DIP Documents and all of which constitute DIP Obligations; and

(iv) the performance of all other acts required under or in connection with the DIP Documents.

(d) Upon execution and delivery of the DIP Documents, the DIP Documents shall constitute valid and binding obligations of the Debtors, enforceable against the Debtors in accordance with the terms of this Order and the DIP Documents, without the need for approval by any equity holder, member, or board of directors (or similar body) of any Debtor. No obligation, payment, transfer or grant of security under the DIP Documents or this Order shall be stayed, voidable, avoidable or recoverable under the Bankruptcy Code or under any applicable nonbankruptcy law (including without limitation, under sections 502(d), 548 or 549 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law), or subject to any defense, reduction, setoff, recoupment or counterclaim.

(e) The Debtors have provided the DIP Lenders with the 13-week cash flow projection annexed hereto as Exhibit A (the "***Initial 13-Week Projection***"). On a bi-weekly basis, the Debtors will provide the DIP Agent and DIP Lenders with an updated cash flow projection for the following 13 weeks.

6. *Superpriority Claims.*

(a) Pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed senior administrative expense claims (the "***Superpriority Claims***") against the Debtors and, except to the extent expressly set forth in this Order in respect of the Carve-Out, such Superpriority Claims shall have priority over any and all administrative expenses, adequate protection claims and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever, including without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546, 726, 1113 or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, which allowed claims shall for purposes of section 1129(a)(9)(A) of the Bankruptcy Code be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, and which Superpriority Claims shall be payable from and have recourse to all prepetition and postpetition property of the Debtors and all proceeds thereof. For the avoidance of doubt, the DIP Obligations of any Non-Subsidiary Guarantor shall be limited to the extent set forth in section 10.17(a) of the DIP Agreement.

(b) For purposes hereof, the "***Carve-Out***" shall mean: (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the Office of the United States Trustee under

section 1930(a) of title 28 of the United States Code; (ii) fees and expenses up to $50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code; (iii) with respect to the information officer (the "***Information Officer***") to be appointed by the Canadian Court in connection with the proceedings commenced pursuant to the Companies' Creditors Arrangement Act (Canada) R.S.C. 1985, c. C-36 as amended in the Ontario Superior Court of Justice (Commercial List) in Toronto, Ontario, Canada (the "***Canadian Proceedings***"), all fees and expenses required to be paid to the Information Officer in connection with the Canadian Proceedings, including to the extent secured by the charge to be granted by the Canadian Court over the Debtors' assets in Canada, in the maximum amount of CDN $125,000, to secure payment of any such fees and expenses of the Information Officer; and (iv) after the occurrence and during the continuance of an Event of Default under the DIP Documents, the payment of allowed professional fees and disbursements incurred by the Debtors or the Committee after the occurrence of the Event of Default not in excess of $800,000 (plus all unpaid professional fees and expenses allowed by this Court that were incurred prior to the occurrence of such Event of Default); provided that (X) the Carve-Out shall not be available to pay any such professional fees and expenses incurred in connection with the initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation against the DIP Agent, the DIP Lenders, or the Prepetition Secured Parties or liens and claims held by DIP Agent, the DIP Lenders, the Prepetition Secured Parties, (Y) so long as no Event of Default shall have occurred and be continuing, the Carve-Out shall not be reduced by the payment of fees and expenses allowed by this Court under sections 328, 330 and 331 of the Bankruptcy Code, and (Z) nothing in this Order shall impair the right of any party to object to the reasonableness of any such fees or expenses to be paid by the Debtors' estates.

7. *DIP Liens*. As security for the DIP Obligations, effective and perfected upon the date of this Order and without the necessity of the execution by the Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, mortgages or other similar documents, or the possession or control by the DIP Agent of any property, the following security interests and liens are hereby granted to the DIP Agent, for its own benefit and the benefit of the DIP Lenders (all property identified in clauses (a), (b) and (c) below being collectively referred to as the "***DIP Collateral***"), subject only to the Carve-Out (all such liens and security interests granted to the DIP Agent, for its benefit and for the benefit of the DIP Lenders, pursuant to this Order and the DIP Documents, the ***"DIP Liens"***):

(a) *First Lien on Unencumbered Property*. Pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority lien on, and security interest in, all tangible and intangible prepetition and postpetition property in which the Debtors have an interest, whether existing on or as of the Petition Date or thereafter acquired, that is not subject to valid, perfected, non-avoidable and enforceable liens in existence on or as of the Petition Date (collectively, and excluding any property that is excluded from the definition of "Collateral" in section 10.01 of the DIP Agreement, the "***Unencumbered Property***"), including without limitation, any and all unencumbered cash, accounts receivable, other rights to payment, inventory, general intangibles, contracts, securities, chattel paper, owned real estate, real property leaseholds, fixtures, machinery, equipment, deposit accounts, patents, copyrights, trademarks, tradenames, rights under license agreements and other intellectual property, instruments, investment property, goods, satellites, spare satellites, ground stations, commercial tort claims, proceeds from the disposition of Federal Communications Commission

and/or Industry Canada licenses (and the Federal Communications Commission and/or Industry Canada licenses themselves, to the fullest extent permitted by applicable law), books and records, in each case, wherever located, and the proceeds, products, rents and profits of all of the foregoing.

(b) *Liens Junior to Certain Existing Liens.* Pursuant to section 364(c)(3) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected lien on, and security interest in, all tangible and intangible prepetition and postpetition property in which the Debtors have an interest, whether now existing or hereafter acquired and all proceeds thereof, that is subject to the Prepetition Secured Party Liens or the Permitted Prepetition Liens, which security interest and lien shall be junior to (i) the Prepetition Secured Party Liens and the Permitted Prepetition Liens (but only to the extent such liens secure valid and enforceable Prepetition Secured Obligations), and (ii) the Carve-Out, but senior to all other liens.

(c) *Liens Priming TSN Secured Party Liens.* Pursuant to section 364(d)(1) of the Bankruptcy Code, and based upon the consent of the TSN Secured Party (as defined below), a valid, binding, continuing, enforceable, fully-perfected, priming lien on, and security interest in, all now existing or hereafter acquired property of TerreStar Networks (Canada) Inc. that constitutes "Collateral" (as defined in the TSN Security Agreement (defined below)) (the "***TSN Collateral***") under that certain Second Amended and Restated Security Agreement, dated August 11, 2009, as amended, by and between TerreStar Networks Inc., as Secured Party (the "***TSN Secured Party***"), and TerreStar Canada Inc., as Obligor (the "***TSN Security Agreement***"). The DIP Liens on the TSN Collateral shall be senior in all respects to the security interests in, and liens on, the TSN Collateral of the TSN Secured Party (the "***TSN Security Agreement Liens***"),

but shall be junior to: (a) the 15% Notes Permitted Prepetition Liens; (b) the 15% Notes Liens; and (c) the Carve-Out.

(d) *Liens Senior to Certain Other Liens.* The DIP Liens and the Adequate Protection Liens (as defined in paragraph 12(a) below) shall not be (i) subject or subordinate to (A) any lien or security interest that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or (B) any liens arising after the Petition Date, including without limitation, any liens or security interests granted in favor of any federal, state, municipal or other governmental unit, commission, board or court for any liability of the Debtors or (ii) subordinated to or made *pari passu* with any other lien or security interest (other than the Permitted Prepetition Liens, the Prepetition Secured Party Liens, and the Carve-Out) under sections 363 or 364 of the Bankruptcy Code or otherwise.

8. *Remedies After Event of Default.* The automatic stay under section 362 of the Bankruptcy Code is vacated and modified to the extent necessary to permit the DIP Agent and the DIP Lenders to exercise, (i) immediately upon the occurrence and during the continuance of an Event of Default, all rights and remedies under the DIP Documents, other than those rights and remedies against the DIP Collateral as provided in clause (ii) below, and (ii) upon the occurrence and during the continuance of an Event of Default, and the giving of ten (10) days' prior written notice to the Debtors, with a copy to counsel for the Debtors, counsel to the Committee (and, if no Committee is formed, the Debtors' largest thirty (30) unsecured creditors on a consolidated basis), counsel to the Prepetition Secured Notice Parties and to the U.S. Trustee, all rights and remedies against the DIP Collateral provided for in the DIP Documents and this Order. In any hearing regarding any exercise of rights or remedies, the only issue that may be raised by any party in opposition thereto shall be whether, in fact, an Event of Default

has occurred and is continuing. The DIP Agent's or any DIP Lender's delay or failure to exercise rights and remedies under the DIP Documents or this Order shall not constitute a waiver of the DIP Agent's or the DIP Lenders' rights hereunder, thereunder or otherwise, unless any such waiver is pursuant to a written instrument executed in accordance with the terms of the applicable DIP Documents.

9. *Limitation on Charging Expenses Against Collateral.* Subject to and effective upon entry of the Final Order, except to the extent of the Carve-Out with respect to the DIP Collateral and the Prepetition Collateral, no expenses of administration of the Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Collateral or the Prepetition Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law or in equity, without the prior written consent of the DIP Agent and the Prepetition Agent, and no such consent shall be implied from any other action or inaction by the DIP Agent, the DIP Lenders, or the Prepetition Secured Parties.

10. *Payments Free and Clear.* Any and all payments or proceeds remitted to the DIP Agent on behalf of the DIP Lenders or the Prepetition Agent on behalf of the Prepetition Secured Parties pursuant to the provisions of this Order or any subsequent order of this Court shall be received free and clear of any claim, charge, assessment or other liability.

11. *Use of Prepetition Collateral (including Cash Collateral).* The Debtors are hereby authorized to use the Prepetition Collateral, including the Cash Collateral, during the period from the Petition Date through and including the Termination Date under the DIP Agreement for, among other things, working capital and general corporate purposes in

accordance with the terms and conditions of this Order and the DIP Documents; provided that the Prepetition Secured Parties are granted adequate protection as hereinafter set forth.

12. *Adequate Protection.* The Prepetition Secured Parties are entitled, pursuant to sections 105, 361, 363 and 364 of the Bankruptcy Code, to adequate protection of their interests in the Prepetition Collateral, including Cash Collateral, in an amount equal to the aggregate diminution in value of the Prepetition Secured Parties' security interests in the Prepetition Collateral, including without limitation, any such diminution resulting from the sale, lease or use by the Debtors (or other decline in value) of any Prepetition Collateral, including the Cash Collateral, and the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (such diminution in value, the "***Adequate Protection Obligations***"). As adequate protection, the Prepetition Secured Parties are hereby granted the following (the "***Adequate Protection***"):

(a) *Adequate Protection Liens.*

(i) As security for the payment of the Adequate Protection Obligations with respect to the PMCA, the PMCA Agent (for itself and for the benefit of the PMCA Lenders) is hereby granted (effective and perfected upon the date of this Order and without the necessity of the execution by the Debtors of security agreements, pledge agreements, mortgages, financing statements or other agreements) a valid, perfected replacement security interest in and lien on the PMCA Collateral (the "***PMCA Adequate Protection Lien***"), subject and subordinate only to (A) the Permitted Prepetition Liens, (B) Prepetition Secured Party Liens, (C) the DIP Liens, and (D) the Carve-Out, and senior to all other liens (including, without limitation, the TSN Liens).

(ii) As security for the payment of the Adequate Protection Obligations with respect to the 15% Notes, the 15% Notes Trustee/Agent (for itself and for the benefit of the 15% Noteholders) is hereby granted (effective and perfected upon the date of this Order and without the necessity of the execution by the Debtors of security agreements, pledge agreements, mortgages, financing statements or other agreements): (A) a valid, perfected replacement security interest in and lien on the 15% Notes Collateral, and (B) a non-avoidable, valid, enforceable and perfected security interest in and lien on all of the DIP Collateral not included in (A) above (collectively, (A) and (B), the "***15% Notes Adequate Protection Liens***" and together with the PMCA Adequate Protection Lien, the "***Adequate Protection Liens***"), each of which shall be subject and subordinate only to (W) the Permitted Prepetition Liens, (X) Prepetition Secured Party Liens, (Y) the DIP Liens, and (Z) the Carve-Out, and senior to all other liens (including, without limitation, the TSN Liens).

(b) *Section 507(b) Claims.* The Adequate Protection Obligations shall constitute superpriority claims as provided in section 507(b) of the Bankruptcy Code (the "***507(b) Claims***"), with priority in payment over any and all administrative expenses of the kinds specified or ordered pursuant to any provision of the Bankruptcy Code, including without limitation, sections 326, 328, 330, 331, 503(b), 506(c), 507(a), 726, 1113 and 1114 of the Bankruptcy Code, subject and subordinate only to (i) the Carve-Out and (ii) the Superpriority Claims granted in respect of the DIP Obligations. Except to the extent expressly set forth in this Order or the Final Order, the Prepetition Secured Parties shall not receive or retain any payments, property or other amounts in respect of the 507(b) Claims unless and until all DIP Obligations shall have indefeasibly been paid in full in cash and the Commitments have been terminated.

(c) *Fees and Expenses.* The Prepetition Agent shall receive from the Debtors reimbursement of all reasonable, actual and documented fees and expenses incurred or accrued by the Prepetition Agent under and pursuant to the Prepetition Loan Documents, including, without limitation, the reasonable, actual and documented fees and disbursements of counsel to the Prepetition Agent, whether incurred or accrued prior to or after the Petition Date. None of the fees and expenses payable pursuant to this paragraph 12(c) shall be subject to separate approval by this Court (but this Court shall resolve any dispute as to the reasonableness of any such fees and expenses), and no recipient of any such payment shall be required to file any interim or final fee application with respect thereto. Subject to any *bona fide* dispute as to the reasonableness of such fees and expenses, the Debtors shall pay the reasonable, actual and documented fees and expenses provided for in this paragraph 12(c) promptly (but no later than ten (10) business days) after invoices for such fees and expenses shall have been submitted to the Debtors, and the Debtors shall promptly provide copies of such invoices to the Committee (if any) and the U.S. Trustee.

(d) *Information.* The Debtors shall promptly provide to the Prepetition Agent any written financial information or periodic reporting that is provided to, or required to be provided to, the DIP Agent or the DIP Lenders (or their advisors) and shall continue to provide to the Prepetition Agent and the Prepetition Secured Parties all financial and other reporting as provided prepetition in accordance with the Prepetition Loan Documents.

13. *Reservation of Rights of Prepetition Secured Parties.* Under the circumstances and given that the Adequate Protection is consistent with the Bankruptcy Code, this Court finds that the adequate protection provided herein is reasonable and sufficient to protect the interests of the Prepetition Secured Parties. Notwithstanding any other provision

hereof, the grant of adequate protection to the Prepetition Agent and the Prepetition Secured Parties pursuant hereto is without prejudice to the right of the Prepetition Agent to seek modification of the grant of adequate protection provided hereby so as to provide different or additional adequate protection; provided, however, that any such additional or modified adequate protection shall at all times be subordinate and junior to the claims and liens of the DIP Agent and the DIP Lenders granted under this Order and the DIP Documents. Except as expressly provided herein, nothing contained in this Order (including without limitation, the authorization to use any Cash Collateral) shall impair or modify any rights, claims or defenses available in law or equity to the Prepetition Agent or any other Prepetition Secured Party.

14. *Perfection of DIP Liens and Adequate Protection Liens.*

(a) The DIP Agent and the Prepetition Agent are hereby authorized, but not required, to file or record financing statements, intellectual property filings, mortgages, notices of lien or similar instruments in any jurisdiction, take possession of or control over, or take any other action in order to validate and perfect the liens and security interests granted to them hereunder. Whether or not the DIP Agent on behalf of the DIP Lenders, or the Prepetition Agent on behalf of the respective Prepetition Secured Parties shall, in their respective sole discretion, choose to file such financing statements, intellectual property filings, mortgages, notices of lien or similar instruments, take possession of or control over, or otherwise confirm perfection of the liens and security interests granted to them hereunder, such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge, dispute or subordination as of the date of entry of this Order.

(b) A certified copy of this Order may, in the discretion of the DIP Agent or the Prepetition Agent, as the case may be, be filed with or recorded in filing or recording offices

in addition to or in lieu of such financing statements, mortgages, notices of lien or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Order for filing and recording.

(c) The Debtors shall execute and deliver to the DIP Agent and the Prepetition Agent, as the case may be, all such agreements, financing statements, instruments and other documents as the DIP Agent and the Prepetition Agent may reasonably request to evidence, confirm, validate or perfect the DIP Liens and the Adequate Protection Liens. All such documents will be deemed to have been recorded and filed as of the Petition Date.

(d) In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized to do and perform all acts to make, execute and deliver all instruments and documents and to pay all fees that may be reasonably required or necessary for the Debtors' performance hereunder.

15. *Preservation of Rights Granted Under the Order.*

(a) No claim or lien having a priority senior to or *pari passu* with those granted by this Order to the DIP Agent, the DIP Lenders, the Prepetition Agent and other the Prepetition Secured Parties shall be granted or allowed while any portion of the DIP Obligations, the Commitments, the Adequate Protection Obligations or the 507(b) Claims remain outstanding, and the DIP Liens and the Adequate Protection Liens shall not be subject or junior to any lien or security interest that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code or subordinated to or made *pari passu* with any other lien or security interest (other than the Permitted Prepetition Liens, the Prepetition Secured Party Liens, and the Carve-Out).

(b) The Debtors shall not seek, and it shall constitute an Event of Default under the DIP Agreement and a termination of the right to use Cash Collateral if any of the Debtors seeks, or if there is entered, (i) any modification of this Order without the prior written consent of the DIP Agent and the Prepetition Agent, and no such consent shall be implied by any other action, inaction or acquiescence by the DIP Agent or the Prepetition Agent, or (ii) an order converting or dismissing any of the Cases.

(c) Except as expressly provided in this Order or in the DIP Documents, the DIP Liens, the Superpriority Claims, the Adequate Protection Obligations, the Adequate Protection Liens, the 507(b) Claims and all other rights and remedies of the DIP Agent, the DIP Lenders, the Prepetition Agent and the Prepetition Secured Parties granted by this Order and the DIP Documents shall survive, and shall not be modified, impaired or discharged by (i) the entry of an order converting any of the Cases to a case under chapter 7 of the Bankruptcy Code, dismissing any of the Cases or by any other act or omission, or (ii) the entry of an order confirming a plan of reorganization in any of the Cases. The terms and provisions of this Order and the DIP Documents shall continue in the Cases, in any successor cases if the Cases cease to be jointly administered, or in any superseding chapter 7 cases under the Bankruptcy Code, and the DIP Liens, the Adequate Protection Liens, the Adequate Protection Obligations, the DIP Obligations, the Superpriority Claims, the Section 507(b) Claims, any other administrative expense claims granted pursuant to this Order, and all other rights and remedies of the DIP Agent, the DIP Lenders, the Prepetition Agent and the Prepetition Secured Parties granted by this Order and the DIP Documents shall continue in full force and effect until all DIP Obligations and all Adequate Protection Obligations are indefeasibly paid in full in cash.

16. *Effect of Stipulations on Third Parties*. The stipulations and admissions contained in this Order, including without limitation, in paragraph 3 of this Order: (a) shall be binding upon the Debtors for all purposes; and (b) shall be binding upon all other parties in interest, including without limitation, the Committee (if any), unless (i) any such Committee, which shall be deemed to have requisite standing, or any other party-in-interest with requisite standing, has duly filed an adversary proceeding (subject to the limitations contained herein, including, without limitation, in paragraph 17) by no later than (A) the date that is the later of 60 days from the date of an order approving counsel for the Committee, 60 days from the entry of the Final Order, or, if no Committee is appointed, 75 days after the date of entry of the Final Order, subject to extension by the Court, after notice and a hearing, for cause shown, and (B) any such later date agreed to in writing by the Prepetition Agent in its sole and absolute discretion (X) challenging the validity, enforceability, priority or extent of the Prepetition Obligations or the liens on the Prepetition Collateral securing such Prepetition Obligations or (Y) otherwise asserting or prosecuting any claims or causes of action arising under sections 542-553 of the Bankruptcy Code or any other claims, counterclaims or causes of action, objections, contests or defenses (collectively, the "***Claims and Defenses***") against the Prepetition Agent or any of the other Prepetition Secured Parties or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors in connection with any matter related to the Prepetition Obligations or the Prepetition Collateral, and (ii) an order is entered by a court of competent jurisdiction and becomes final and non-appealable in favor of the plaintiff sustaining any such challenge or claim in any such duly filed adversary proceeding; provided that, as to the Debtors, all such Claims and Defenses are hereby irrevocably waived and relinquished as of the Petition Date. If no such adversary proceeding is duly and timely filed in respect of the

Prepetition Obligations, (x) the Prepetition Obligations shall constitute allowed claims, not subject to counterclaim, setoff, subordination, recharacterization, defense or avoidance, for all purposes in the Cases and any subsequent chapter 7 case, (y) the liens on the Prepetition Collateral securing the Prepetition Obligations, as the case may be, shall be deemed to have been, as of the Petition Date, and to be, legal, valid, binding, perfected and of the priority specified in paragraph 3, not subject to defense, counterclaim, recharacterization, subordination or avoidance and (z) the Prepetition Obligations, the Prepetition Agent and the Prepetition Secured Parties, as the case may be, and the liens on the Prepetition Collateral granted to secure the Prepetition Obligations shall not be subject to any other or further challenge by the Committee (if any) or any other party-in-interest, and such Committee or party-in-interest shall be enjoined from seeking to exercise the rights of the Debtors' estates, including without limitation, any successor thereto (including, without limitation, any estate representative or a chapter 7 or 11 trustee appointed or elected for any of the Debtors). If any such adversary proceeding is duly filed, the stipulations and admissions contained in paragraph 3 of this Order shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph) on the Committee (if any) and any other party-in-interest, except as to any such stipulations and admissions that were expressly and successfully challenged in such adversary proceeding as set forth in a final, non-appealable order of a court of competent jurisdiction. Nothing in this Order vests or confers on any Person (as defined in the Bankruptcy Code) (other than the Committee (if any) as provided above), standing or authority to pursue any cause of action belonging to the Debtors or their estates, including without limitation, Claims and Defenses with respect to the Prepetition Loan Documents or the Prepetition Obligations or any liens granted by any Debtor to secure any of the foregoing. Notwithstanding anything to the

contrary in this Interim Order, nothing herein shall prejudice the right or ability of Harbinger Capital LLC or any of its affiliates to challenge the validity, enforceability, priority or amount of the Prepetition Obligations or the liens on the Prepetition Collateral securing such Prepetition Obligations.

17. *Limitation on Use of DIP Financing and DIP Collateral.* The Debtors shall use the DIP Financing and the Prepetition Collateral (including the Cash Collateral) solely as provided in this Order and the DIP Documents. Notwithstanding anything herein, no Loans under the DIP Agreement, DIP Collateral, Prepetition Collateral (including the Cash Collateral) or the Carve-Out may be used to (a) object, contest or raise any defense to the validity, perfection, priority, extent or enforceability of any amount due under the DIP Documents, the Prepetition Loan Documents or the liens or claims granted under this Order, the DIP Documents or the Prepetition Loan Documents, (b) assert any Claims and Defenses or any other causes of action against the DIP Agent, the DIP Lenders, the Prepetition Agent, the other Prepetition Secured Parties or their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors, in each case, solely in their capacity as Prepetition Secured Parties, (c) prevent, hinder or otherwise delay the DIP Agent's or the Prepetition Agent's assertion, enforcement or realization on the Prepetition Collateral or the DIP Collateral in accordance with the DIP Documents, the Prepetition Loan Documents or this Order, (d) seek to modify any of the rights granted to the DIP Agent, the DIP Lenders, the Prepetition Agent or the other Prepetition Secured Parties hereunder or under the DIP Documents or the Prepetition Loan Documents, in the case of each of the foregoing clauses (a) through (d), without such applicable party's prior written consent or (e) pay any amount on account of any claims arising prior to the Petition Date unless such payments are (i) approved by an order of this Court and (ii) permitted

under the DIP Documents; provided that, notwithstanding anything to the contrary herein, no more than an aggregate of $200,000 of the Prepetition Collateral (including the Cash Collateral), Loans under the DIP Agreement, the DIP Collateral or the Carve-Out may be used by the Committee to investigate the validity, enforceability or priority of the Prepetition Obligations or the liens on the Prepetition Collateral securing the Prepetition Obligations, or investigate any Claims and Defenses or other causes action against the Prepetition Agent or the Prepetition Secured Parties.

18. *Exculpation.* Nothing in this Order, the DIP Documents, or any other documents related to these transactions shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Agent, any DIP Lender, or any Prepetition Secured Party any liability for any claims arising from the prepetition or postpetition activities of the Debtors in the operation of their business, or in connection with their restructuring efforts. So long as the DIP Agent, the DIP Lenders and the Prepetition Secured Parties comply with their obligations under the DIP Documents and the Prepetition Loan Documents (as applicable) and their obligations, if any, under applicable law (including the Bankruptcy Code), (a) the DIP Agent, DIP Lenders and the Prepetition Secured Parties shall not, in any way or manner, be liable or responsible for (i) the safekeeping of the Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof, or (iv) any act or default of any carrier, servicer, bailee, custodian, forwarding agency or other person, and (b) all risk of loss, damage or destruction of the Collateral shall be borne by the Debtors.

19. *Order Governs.* In the event of any inconsistency between the provisions of this Order and the DIP Documents, the provisions of this Order shall govern.

20. *Master Proofs of Claim.*

(a) To facilitate the processing of claims, to ease the burden upon this Court and to reduce any unnecessary expense to the Debtors' estates, subject to entry of the Final Order, (i) the PMCA Agent is authorized (but not required) to file a single master proof of claim (a "***Master Proof of Claim***") on behalf of itself and the PMCA Lenders on account of their claims arising under the PMCA and hereunder against all Debtors in the Borrower's case only; and (ii) the 15% Notes Agent/Trustee is authorized (but not required) to file a Master Proof of Claim on behalf of itself and the 15% Noteholders on account of their claims arising under the 15% Notes Indenture and hereunder against all Debtors in the Borrower's case only.

(b) Upon filing of a Master Proof of Claim by the PMCA Agent and/or the 15% Notes Agent/Trustee (as applicable), the PMCA Agent and/or the 15% Notes Agent/Trustee (as applicable) and each PMCA Lender and/or 15% Noteholder (as applicable) and each of their respective successors and assigns, shall be deemed to have filed a proof of claim in the amount set forth opposite its name therein in respect of its claims against each of the Debtors arising under the applicable Prepetition Loan Documents and the claims (as defined in section 101 of the Bankruptcy Code) of the PMCA Agent and/or the 15% Notes Agent/Trustee (as applicable) and each PMCA Lender and/or 15% Noteholder, as applicable (and each of their respective successors and assigns) named in the Master Proof of Claim shall be allowed as if each such entity had filed a separate proof of claim in each of the Cases in the amount set forth in the Master Proof of Claim; provided that the the PMCA Agent and/or the 15% Notes Agent/Trustee (as applicable) may, but shall not be required to, amend the Master Proof of Claim from time to time to, among other things, reflect a change in the holders of the claims set forth therein or a reallocation among such holders of the claims asserted therein resulting from any transfer of any

such claims.

(c) The provisions set forth in paragraphs (a) and (b) above are intended solely for the purpose of administrative convenience and, except to the extent set forth herein or therein, neither the provisions of this paragraph nor the Master Proof of Claim shall affect the substantive rights of the Debtors, the Committee, the Prepetition Agent, the other Prepetition Secured Parties or any other party in interest or their respective successors in interest, including without limitation, the right of each Prepetition Secured Party (or its successor in interest) to vote separately on any plan of reorganization proposed in the Cases.

21. *Binding Effect; Successors and Assigns.* The DIP Documents and the provisions of this Order, including all findings herein, shall be binding upon all parties-in-interest in the Cases, including without limitation, the DIP Agent, the DIP Lenders, the Prepetition Agent, the Prepetition Secured Parties, the Committee (if any), and the Debtors and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for any of the Debtors, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors) and shall inure to the benefit of the DIP Agent, the DIP Lenders, the Prepetition Secured Parties and the Debtors and their respective successors and assigns; provided that, except to the extent expressly set forth in this Order, the DIP Agent, the Prepetition Agent, the DIP Lenders and the Prepetition Secured Parties shall have no obligation to permit the use of Cash Collateral or extend any financing to any chapter 7 trustee or similar responsible person appointed for the estates of the Debtors.

22. *Limitation of Liability.* Subject to entry of the Final Order, in determining to make any Loan under the DIP Agreement, permitting the use of Cash Collateral or in

exercising any rights or remedies as and when permitted pursuant to this Order or the DIP Documents, the DIP Agent, the Prepetition Agent, the DIP Lenders and the Prepetition Secured Parties shall not be deemed to be in "control" of the operations of the Debtors or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtors (as such terms, or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601 et seq. as amended, or any similar federal or state statute). Furthermore, nothing in this Order or in the DIP Documents shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Agent, the DIP Lenders, the Prepetition Agent or the Prepetition Secured Parties any liability for any claims arising from the prepetition or post-petition activities of any of the Debtors and their affiliates (as defined in section 101(2) of the Bankruptcy Code).

23. Notwithstanding anything to the contrary herein or in any DIP Document, the maximum liability of any Non-Subsidiary Guarantor under the DIP Documents shall not exceed the sum of (i)(x) the aggregate amount of funds transferred (including as dividends or loans) to any Non-Subsidiary Guarantor or any subsidiary of any Non-Subsidiary Guarantor (excluding the Borrower, the Domestic Subsidiary Guarantors and the Canadian Guarantors) after the Petition Date by the Borrower, any Domestic Subsidiary Guarantor or any Canadian Guarantor (including funds transferred pursuant to section 6.03(h) of the DIP Agreement and payments to TerreStar New York Inc. specified in section 6.05 of the DIP Agreement) minus (ii) the aggregate amount of any funds contributed, loaned or otherwise paid by any Non-Subsidiary Guarantor or any subsidiary of any Non-Subsidiary Guarantor (excluding the Borrower, the Domestic Subsidiary Guarantors and the Canadian Guarantors) to the Borrower, any Domestic Subsidiary Guarantor or any Canadian Guarantor and the aggregate amount paid to the DIP

Agent or any DIP Lender under the DIP Documents by any Non-Subsidiary Guarantor plus (y) the fees and expenses incurred by the DIP Agent or any DIP Lender incurred in connection with the enforcement of the obligations of such Non-Subsidiary Guarantor under the DIP Documents under section 10.17 of the DIP Agreement; *provided, however*, that the maximum liability of all Non-Subsidiary Guarantors, taken together, under the DIP Documents shall not exceed $15,000 in the aggregate at any time (the "***Guarantee Cap***"). The Debtors may request that the Court increase the Guarantee Cap after notice and hearing; *provided, however*, that all parties reserve their rights to object to such increase request in all respects, including, but not limited to, whether the Non-Subsidiary Guarantors should be jointly and severally liable under any guarantee obligations to the DIP Lenders or the DIP Agent.

24. *Effectiveness.* This Order shall constitute findings of fact and conclusions of law and shall take effect immediately upon execution hereof as of the Petition Date, and there shall be no stay of execution of effectiveness of this Order.

25. *Final Hearing.* The Final Hearing is scheduled for November 16, 2010 at 10:00 a.m. (prevailing Eastern time) before this Court.

26. *Final Hearing Notice.* The Debtors shall promptly mail copies of this Order (which shall constitute adequate notice of the Final Hearing) to the parties having been given notice of the Interim Hearing, and to any other party that has filed a request for notices with this Court and to the Committee (if any) after the same has been appointed, or Committee counsel, if the same shall have been appointed. Any party-in-interest objecting to the relief sought at the Final Hearing shall serve and file written objections; which objections shall filed with the Clerk of the United States Bankruptcy Court for the Southern District of New York (with a courtesy copy to be sent to the Court's chambers) and be served upon (a) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036, Attn: Ira S. Dizengoff, Esq. and Arik Preis, Esq., attorneys for the Debtors; (b) Emmet, Marvin & Martin, LLP, 120 Broadway, New York, NY 10271, Attn: Elizabeth Clark, Esq., counsel to the DIP Agent, (c) the Prepetition Agent, (d) Willkie Farr & Gallagher, 787 Seventh Avenue, New York, NY 10019, counsel to the Initial Lender; Attn: Matthew A. Feldman, Esq. and Rachel C. Strickland, Esq., (e) counsel to the Prepetition Secured Notice Parties; and (f) the Office of the U.S. Trustee for the Southern District of New York, Attention: Susan Golden, Esq. and shall be filed with the Clerk of the United States Bankruptcy Court, Southern District of New York, in each case to allow actual receipt by the foregoing no later than November 9, 2010 at 4:00 p.m. (prevailing Eastern time).

27. For the avoidance of doubt, this Order and each of the provisions thereof are being entered on an interim basis and remain subject to entry of a final order.

Dated: ***October 20, 2010***
New York, New York

/s/ Sean H. Lane
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

Initial 13-Week Projection

13-Week Cash Flow Forecast
($ in thousands)

Week Ended	Ch. 11 Filing 1	2	1	2	3	4	5	6	7	8	9	10	11	12	
	10/01/10 E	10/08/10 E	10/15/10 E	10/22/10 E	10/29/10 E	11/05/10 E	11/12/10 E	11/19/10 E	11/26/10 E	12/03/10 E	12/10/10 E	12/17/10 E	12/24/10 E	12/31/10 E	Total
Cash Receipts															
Roam-In	-	-	-	-	10	-	-	-	40	-	-	-	-	89	138
Handset Sales	-	-	-	-	-	-	-	-	-	-	-	-	-	321	321
Subtotal	-	-	-	-	10	-	-	-	40	-	-	-	-	410	459
Payroll															
Payroll	550	-	550	-	676	-	602	-	676	-	602	-	602	74	4,334
Health Care Benefits	133	17	-	17	133	17	-	17	133	17	-	17	133	17	651
Total Payroll & Benefits	683	17	550	17	809	17	602	17	809	17	602	17	735	91	4,985
Other Operating Costs															
Operational and Technical Facility Leases	206	-	-	-	-	206	-	-	-	93	113	-	-	-	619
CES Sites	83	-	-	-	-	83	-	-	-	-	83	-	-	-	249
North Las Vegas and Allan Park Operations	153	55	-	-	-	153	55	-	-	-	55	-	-	-	472
Satellite Ops Consultants	-	-	-	221	-	-	-	221	-	-	-	-	221	-	662
Network Operations & Circuits	-	-	204	-	-	-	204	-	-	200	-	204	-	-	813
Information Technology/ OSS / BSS	172	32	-	283	142	166	-	486	104	-	92	40	243	81	1,842
Business Operations	-	15	-	45	-	15	-	45	-	15	-	45	-	-	180
Sales & Marketing	18	-	-	20	-	18	-	20	-	18	-	20	-	-	114
Canada	26	200	-	-	20	26	200	-	20	26	200	616	200	20	1,554
Accounting	-	25	600	30	-	100	25	-	30	-	25	-	80	-	915
Legal / Regulatory	150	-	-	-	-	150	-	-	-	150	-	-	-	-	450
Taxes / Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Costs	63	63	63	63	63	63	63	63	63	63	63	63	63	63	882
Total Other Operating Costs	872	390	867	662	225	981	547	835	217	565	632	988	807	164	7,869
Vendor Payments - Subtotal	195	3	-	1,373	127	3	319	2,486	114	3	68	100	1,288	561	6,638
Development															
Next Generation Chipset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Handset Development Work		-	-	550	48	15	745	-	-	15	745	-	-	-	2,118
Hughes	-	-	-	-	-	-	78	-	200	-	78	-	-	-	357
Comneon	-	-	-	400	140	-	-	-	140	-	-	-	-	140	820
DVSI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	950	188	15	823	-	340	15	823	-	-	140	3,295
Total Operating Disbursements	1,750	410	1,417	3,002	1,350	1,015	2,292	3,337	1,480	600	2,125	1,105	2,830	956	23,668
Memo: Cumulative DIP Draws before Prof. Fees	-	-	-	*5,003*	*6,523*	*7,406*	*9,745*	*13,150*	*14,620*	*15,232*	*17,401*	*18,528*	*21,416*	*21,973*	*21,973*
Professional Fees															
Debtor Professionals	500	500	-	-	-	-	1,000	-	-	-	1,000	-	-	-	3,000
UCC / Other Unsecured Creditors	-	-	-	-	-	-	750	-	-	-	750	-	-	-	1,500
Case Fees	-	-	-	-	-	-	750	-	-	-	750	-	-	-	1,500
Senior Notes (Adequate Protection)	-	-	-	-	750	-	-	-	750	-	-	-	-	750	2,250
DIP Lenders	-	-	150	-	750	-	-	-	750	-	-	-	-	750	2,400
Subtotal	500	500	150	-	1,500	-	2,500	-	1,500	-	2,500	-	-	1,500	10,650
Bankruptcy Expenses															
Professional Fee Retainers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility Deposit	-	-	-	500	-	-	-	-	-	-	-	-	-	-	500
Subtotal	-	-	-	500	-	-	-	-	-	-	-	-	-	-	500
Cash Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Disbursements	2,250	910	1,567	3,502	2,850	1,015	4,792	3,337	2,980	600	4,625	1,105	2,830	2,456	34,818
Net Cash Flow	(2,250)	(910)	(1,567)	(3,502)	(2,840)	(1,015)	(4,792)	(3,337)	(2,941)	(600)	(4,625)	(1,105)	(2,830)	(2,046)	(34,359)

SCHEDULE C

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
TERRESTAR NETWORKS INC., *et al.*,[1]	)	Case No. 10-15446 (SHL)
Debtors.	)	Jointly Administered

INTERIM ORDER (A) AUTHORIZING, BUT NOT DIRECTING DEBTORS TO CONTINUE USING THEIR CASH MANAGEMENT SYSTEM, BANK ACCOUNTS AND BUSINESS FORMS, (B) GRANTING POSTPETITION INTERCOMPANY CLAIMS ADMINISTRATIVE EXPENSE PRIORITY AND (C) AUTHORIZING CONTINUED INTERCOMPANY TRANSACTIONS

Upon the motion (the "***Motion***")[2] of the above-captioned debtors (collectively, the "***Debtors***") for the entry of an order (a) authorizing the Debtors to continue using their existing Cash Management System, Bank Accounts and business forms, (b) granting postpetition Intercompany Claims administrative expense priority, and (c) authorizing the Debtors to continue Intercompany Transactions; and upon the First Day Declaration; and it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors and other parties in interest; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Motion

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

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

appearing to be adequate and appropriate under the circumstances; and any objections to the requested relief having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion is granted as set forth herein on an interim basis.

2. The Debtors are authorized to continue using their integrated Cash Management System as described in the Motion.

3. The Debtors are authorized to: (a) continue to use, with the same account numbers, all of the bank accounts in existence as of the Petition Date, including, without limitation, those accounts identified on Exhibit B to the Motion (the "***Bank Accounts***"); (b) use, in their present form, all correspondence and business forms (including, but not limited to, letterhead, purchase orders and invoices), as well as checks written manually and other documents related to the Bank Accounts existing immediately before the Petition Date, without reference to their status as debtors in possession; *provided, however*, that upon depletion of the Debtors' correspondence and business forms, the Debtors will obtain new business forms reflecting their status as debtors in possession; and, *provided, further, however*, that as soon as practicable after the Petition Date, the Debtors will note their status as "debtors in possession" on checks that are electronically printed; and (c) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession.

4. Except as otherwise expressly provided in this Order, all Banks are authorized and directed to continue to service and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption and in the ordinary course, and to receive, process, honor and pay any and all checks, drafts, wires and automated clearing house transfers issued

and drawn on the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be.

5. The Debtors are authorized to open any new bank accounts or close any existing Bank Accounts as they may deem necessary and appropriate in the ordinary course; *provided, however*, that the Debtors may only open a new bank account with a bank designated as an Authorized Depository under the U.S. Trustee Guidelines, unless first obtaining the consent of the U.S. Trustee. For purposes of this Order, any new bank account opened by the Debtors will be deemed a Bank Account and so listed on Exhibit B to the Motion.

6. All Intercompany Claims against a Debtor by another Debtor or non-Debtor affiliate arising after the Petition Date shall be accorded administrative expense priority in accordance with sections 503(b) and 507(a)(2) of the Bankruptcy Code.

7. Subject to the terms of the DIP Facility, the Debtors are authorized, but not required, to continue using their Cash Management System to manage their cash, to pay intercompany payables, if any, to extend intercompany credit, if necessary, and to continue performing under and honoring their respective obligations and commitments related to Intercompany Transactions and the resulting Intercompany Claims that reflect intercompany receivables and payments made in the ordinary course of the business between and among the Debtors and their non-Debtor affiliates.

8. The Debtors shall keep records of any postpetition intercompany transfers and services that occur during the chapter 11 cases in accordance with their ordinary course procedures for tracking such intercompany transfers, including as described further in the Motion by: (a) creating notes to evidence Intercompany Transactions; (b) maintaining the Intercompany Credit Facility; and (c) tracking Intercompany Transactions by book entry.

9. The Debtors are authorized to direct the Banks and the Banks are authorized and directed to pay obligations in accordance with this or any separate order of this Court.

10. Except as otherwise provided in this Order or in a separate order of this Court, including, without limitation, the Interim or Final Order (A) Authorizing, but not Directing, Debtors (I) to Pay Certain Prepetition Wages and Reimbursable Employee Expenses, (II) to Pay and Honor Employee Medical and Other Benefits and (III) to Continue Employee Benefits Programs and (B) Authorizing Financial Institutions to Honor all Related Checks and Electronic Payment Requests, all Banks provided with notice of this Order maintaining any of the Bank Accounts shall not honor or pay any bank payments drawn on the listed Bank Accounts or otherwise issued prior to the Petition Date.

11. As soon as practicable after the entry of this Order, the Debtors shall serve a copy of this Order on those Banks that make disbursements pursuant to the Debtors' Cash Management System except as expressly directed by the Debtors pursuant to paragraph 10, above.

12. Notwithstanding any provision herein to the contrary, the Debtors shall not be authorized to make any payments under this Order from any amounts loaned to the Debtors pursuant to the debtor-in-possession financing unless such payments or disbursements are included in the budget contained therein or otherwise authorized to be paid pursuant to the debtor-in-possession financing agreement.

13. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the contents of the Motion or otherwise deemed waived.

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

15. Notwithstanding the possible applicability of Rules 6004(a) and 6004(h) of the Federal Rules of Bankruptcy or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

16. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

New York, New York
Date: ***October 20, 2010***

/s/ Sean H. Lane
United States Bankruptcy Judge

SCHEDULE D

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
TERRESTAR NETWORKS INC., *et al.*,[1]	)	Case No. 10-15446 (SHL)
Debtors.	)	Jointly Administered

INTERIM ORDER (A) AUTHORIZING, BUT NOT DIRECTING, DEBTORS (I) TO PAY CERTAIN PREPETITION WAGES AND REIMBURSABLE EMPLOYEE EXPENSES, (II) TO PAY AND HONOR EMPLOYEE MEDICAL AND OTHER BENEFITS AND (III) TO CONTINUE EMPLOYEE BENEFITS PROGRAMS AND (B) AUTHORIZING FINANCIAL INSTITUTIONS TO HONOR ALL RELATED CHECKS AND ELECTRONIC PAYMENT REQUESTS

Upon the motion (the "***Motion***")[2] of the above-captioned debtors (collectively, the "***Debtors***") for entry of an order (a) authorizing the Debtors to (i) pay certain prepetition wages, salaries and other compensation, taxes, withholdings and reimbursable expenses, (ii) pay and honor obligations relating to medical and other benefits programs and (iii) continue their employee benefits programs on a postpetition basis (collectively and as further described in the Motion, the "***Employee Obligations***"), and (b) scheduling a final hearing (the "***Final Hearing***") to consider entry of an Order granting this and other relief on a permanent basis (the "***Final Order***"), all as more fully set forth in the Motion; and upon the First Day Declaration; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors and other parties in interest; and this Court having jurisdiction to consider

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

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

the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that notice of the Motion was appropriate under the particular circumstances; and this Court having reviewed the Motion and the First Day Declaration, and having heard the statements in support of the relief requested therein at the hearing; and this Court having determined that the legal and factual bases set forth in the Motion and at the hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion is granted on an interim basis as set forth in this Order.

2. The Debtors are authorized, but not directed, to honor and pay, in the ordinary course of business, in accordance with the Debtors' prepetition policies and practices and in the Debtors' sole discretion (subject to the terms of this Order), prepetition amounts outstanding on account of the Employee Obligations as follows: (a) Unpaid Compensation, if any, up to a maximum of $11,725 per individual for prepetition payroll amounts outstanding; (b) Unpaid Service Fees; (c) Unremitted Deductions; (d) Unremitted Payroll Taxes; (e) Unpaid Reimbursable Expenses (in an amount not to exceed $500 per individual Employee); (f) Unpaid Medical, Dental and Vision Plan Expenses; (g) Unpaid Insurance and Disability Benefits; (h) Unremitted Supplemental Insurance Benefits; (i) Unpaid Workers' Compensation Premiums; (j) Unused Paid Time Off; and (k) Leaves of Absence.

3. The Debtors are authorized, but not directed, to continue the following Employee Obligations during the Interim Period in the ordinary course of business on a postpetition basis,

in accordance with the Debtors' prepetition policies and practices and in the Debtors' sole discretion (subject to the terms of this Order), and to pay and honor claims related thereto: (a) Employee Payroll Obligations; (b) Service Fees; (c) the Annual Employee Incentive Program; (d) Deductions; (e) Payroll Taxes; (f) Reimbursable Expenses; (g) the Medical, Dental and Vision Plans; (h) the Insurance and Disability Benefits; (i) the Supplemental Insurance Benefits; (j) the Workers' Compensation Program; (k) Paid Time Off; (l) Leaves of Absence; (n) the 401(k) Plan (including, but not limited to, Employee 401(k) Contributions and Employer 401(k) Contributions); (o) the Employee Assistance Program; (p) the Transportation Assistance Program; and (q) the Flexible Spending Programs.

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

5. The Debtors are authorized, but not directed, to pay all postpetition costs and expenses incidental to payment of the Employee Obligations, including all administrative and processing costs and payments to outside professionals in the ordinary course of business.

6. The Debtors are authorized to forward any unpaid amounts on account of Deductions or Payroll Taxes to the appropriate third-party recipients or taxing authorities in accordance with the Debtors' prepetition policies and practices.

7. Pursuant to section 362(d) of the Bankruptcy Code, Employees are authorized to proceed with their workers' compensation claims in the appropriate judicial or administrative forum under the Workers' Compensation Program, and the Debtors are authorized to take all steps necessary and appropriate with respect to the resolution of any such claims.

8. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these cases with respect to prepetition amounts owed to their Employees.

9. Notwithstanding any provision herein to the contrary, the Debtors shall not be authorized to make any payments under this Order from any amounts loaned to the Debtors pursuant to the debtor-in-possession financing unless such payments or disbursements are included in the budget contained therein or otherwise authorized to be paid pursuant to the debtor-in-possession financing agreement.

10. Nothing in the Motion or this Order, nor as a result of the Debtors' payment of claims pursuant to this Order, shall be deemed or construed as: (a) an admission as to the validity or priority of any claim against the Debtors; (b) a waiver of the Debtors' or other parties in interest's rights to dispute any claim; or (c) an approval or assumption of any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code.

11. Notwithstanding the possible applicability of Bankruptcy Rules 6004(a), 6004(h), 7062, 9014 or otherwise, this Order shall be immediately effective and enforceable upon its entry.

12. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as being approved by this Order.

13. The Final Hearing on the Motion shall be held on **November 16, 2010** at **10:00 a.m.** prevailing Eastern Time. Any objections or responses to entry of the Final Order must be filed with this Court and served so as to be actually received on or before **Tuesday, November 9, 2010** before the Final Hearing by the following parties: (a) TerreStar Networks Inc., 12010 Sunset Hills Road, 6th Flr., Reston, Virginia 20190, Attn: Doug Brandon, Esq.; (b) proposed counsel to the Debtors, Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, New York 10036, Attn: Ira S. Dizengoff, Esq. and Arik Preis, Esq.; (c) the Office of the United States Trustee for the Southern District of New York; (d) the entities listed on the Consolidated List of Creditors Holding the 30 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (e) Bank of New York Mellon as agent for the Debtors' proposed postpetition debtor-in-possession financing; (f) Emmet, Marvin & Martin LLP as counsel to the agent for the Debtors' proposed postpetition debtor-in-possession financing; (g) U.S. Bank National Association as Collateral Agent for the Debtors' purchase money credit facility and Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and EchoStar Corporation as Lender thereunder; (h) Weil, Gotshal & Manges LLP as counsel to Harbinger Capital Partners Master Fund I, Ltd. and Harbinger Capital Partners Special Situations Fund, L.P. in their capacity as Lenders under the Debtors' purchase money credit facility; (i) Willkie Farr & Gallagher LLP as counsel to EchoStar Corporation in their capacity as Lenders under the Debtors' purchase money credit facility and Initial Lender under the Debtors' proposed postpetition debtor-in-possession financing; (j) U.S. Bank National Association as Indenture Trustee for the Debtors' 15% Senior Secured Notes; (k) U.S. Bank National Association as Indenture Trustee for the Debtors' 6.5% Senior Exchangeable Notes; (l) Quinn Emanuel Urquhart & Sullivan, LLP as counsel to an Ad Hoc group of the Debtors' 6.5% Senior

Exchangeable Notes; (m) the Internal Revenue Service; (n) the Securities and Exchange Commission; (o) the United States Attorney for the Southern District of New York; (p) the Federal Communications Commission; and (q) parties in interest who have filed a notice of appearance in these cases pursuant to Bankruptcy Rule 2002.

14. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the contents of the Motion and the First Day Declaration, or are otherwise deemed waived.

15. This Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order.

New York, New York
Date: ***October 20,2010***

/s/ Sean H. Lane
United States Bankruptcy Judge

SCHEDULE E

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
TERRESTAR NEW YORK INC.,	Case No. 10-15445
Debtor,	
In re:	Chapter 11
TERRESTAR NETWORKS INC.,	Case No. 10-15446
Debtor,	
In re:	Chapter 11
MOTIENT COMMUNICATIONS INC.,	Case No. 10-15452
Debtor,	
In re:	Chapter 11
MOTIENT HOLDINGS INC.,	Case No. 10-15453
Debtor,	
In re:	Chapter 11
MOTIENT LICENSE INC.,	Case No. 10-15454
Debtor,	

In re:	)	Chapter 11
MOTIENT SERVICES INC.,	)	Case No. 10-15455
Debtor,	)	
In re:	)	Chapter 11
MOTIENT VENTURES HOLDING INC.,	)	Case No. 10-15458
Debtor,	)	
In re:	)	Chapter 11
MVH HOLDINGS INC.,	)	Case No. 10-15462
Debtor,	)	
In re:	)	Chapter 11
TERRESTAR LICENSE INC.,	)	Case No. 10-15463
Debtor,	)	
In re:	)	Chapter 11
TERRESTAR NATIONAL SERVICES INC.,	)	Case No. 10-15464
Debtor,	)	
In re:	)	Chapter 11
TERRESTAR NETWORKS (CANADA) INC.,	)	Case No. 10-15449
Debtor,	)	

In re:	)	Chapter 11
TERRESTAR NETWORKS HOLDINGS (CANADA) INC.,	)	Case No. 10-15447
Debtor,	)	
In re:	)	Chapter 11
0887729 B.C. LTD.,	)	Case No. 10-15450
Debtor.	)	

ORDER DIRECTING JOINT ADMINISTRATION OF RELATED CHAPTER 11 CASES

Upon the motion (the "***Motion***")[1] of the above-captioned debtors (collectively, the "***Debtors***") for entry of an order directing joint administration of the Debtors' related chapter 11 cases; and upon the First Day Declaration; and it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors and other parties in interest; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue appearing proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and notice of the Motion appearing to be adequate and appropriate under the circumstances; and any objections to the requested relief having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED that:

1. The Motion is granted to the extent set forth herein.

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

2. The above-captioned chapter 11 cases are consolidated for procedural purposes only and shall be jointly administered by this Court under Case No. 10-15446, the case number for TerreStar Networks Inc.

3. The caption of the jointly administered cases shall read as follows:

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	)	Chapter 11
TERRESTAR NETWORKS INC., *et al.*,[2]	)	Case No. 10-15446 (SHL)
Debtors.	)	Jointly Administered

4. A docket entry shall be made in each of the above-captioned cases substantially as follows:

> An order has been entered in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure directing the procedural consolidation and joint administration of the chapter 11 cases of Motient Communications Inc.; Motient Holdings Inc.; Motient License Inc.; Motient Services Inc.; Motient Ventures Holding Inc.; MVH Holdings Inc.; TerreStar License Inc.; TerreStar National Services Inc.; TerreStar Networks Holdings (Canada) Inc.; TerreStar Networks (Canada) Inc.; TerreStar New York Inc; and 0887729 B.C. Ltd. All further pleadings and other papers shall be filed in, and all further docket entries shall be made in, Case No. 10-15446.

5. One consolidated docket, one file and one consolidated service list shall be maintained by the Debtors and/or GCG, updated and filed with the court and kept by the Clerk of the United States Bankruptcy Court for the Southern District of New York.

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[2] 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).

6. The Debtors shall file a consolidated monthly operating report, but shall track and break out disbursements on a debtor-by-debtor basis and, accordingly, shall pay any fees due to the United States Trustee for the Southern District of New York on a debtor-by-debtor basis.

7. Nothing contained in the Motion or this Order shall be deemed or construed as directing or otherwise effecting a substantive consolidation of the Debtors' chapter 11 cases.

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

9. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

New York, New York
Date: ***October 20, 2010***

/s/ Sean H. Lane
United States Bankruptcy Judge

SCHEDULE F

Court File No.: CV-10-8944-00CL

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

NOTICE OF RECOGNITION ORDER

PLEASE BE ADVISED that this Notice is being published pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**"), granted on October [ ], 2010 (the "**Recognition Order**").

PLEASE TAKE NOTICE that on October 19, 2010, TerreStar Networks Inc. ("**TSNI**"), Motient Holdings Inc., Motient Communications Inc., Motient License Inc., Motient Services Inc., MVH Holdings Inc., Motient Ventures Holdings Inc., TerreStar National Services, Inc., TerreStar License Inc., TerreStar New York Inc., 0887729 B.C. Ltd., TerreStar Networks Holdings (Canada) Inc., and TerreStar Networks (Canada) Inc. (collectively, the "**Chapter 11 Debtors**") each filed voluntary petitions under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**") in United States Bankruptcy Court for the Southern District of New York (collectively, the "**Chapter 11 Cases**"). In connection with the prosecution of their Chapter 11 Cases, the Chapter 11 Debtors have appointed TSNI as their foreign representative (the "**Foreign Representative**").

PLEASE TAKE FURTHER NOTICE that the Recognition Order has been issued by the Canadian Court under Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, and, among other things: (i) recognizes the Chapter 11 Cases as foreign main proceedings; (ii) recognizes TSNI as the Foreign Representative of the Chapter 11 Debtors; (iii) recognizes certain orders granted by the United States Bankruptcy Court in the Chapter 11 Cases; (iv) stays all proceedings against the Chapter 11 Debtors and their directors and officers; and (v) appoints Deloitte & Touche Inc. ("**Deloitte**") as the Information Officer with respect to the Chapter 11 Cases.

PLEASE TAKE FURTHER NOTICE that persons who wish to receive a copy of the Recognition Order or obtain any further information in respect thereof or in respect of the matters set forth in this Notice, should contact the Information Officer at the address below:

DELOITTE & TOUCHE INC. (solely in its capacity as Information Officer)
181 Bay Street, Brookfield Place, Suite 1400, Toronto, ON M5J 2V1
Attention: Jaspreet Dehl, CA, CPA (Illinois)
Tel: 416-601-6633
Fax: 416-601-6690
E-mail: jdehl@deloitte.ca

PLEASE FINALLY NOTE that the Recognition Order, and any other orders that may be granted by the Canadian Court, can be viewed at www.deloitte.com/ca/terrestar-networks.

DATED AT TORONTO, ONTARIO, this [ ] day of October 2010.

DELOITTE & TOUCHE INC.
(solely in its capacity as Information Officer)

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

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

Court File No. CV-10-8944-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

SUPPLEMENTAL ORDER

OCTOBER 21, 2010

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1 First Canada Place
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Counsel to the Applicant

EXHIBIT F

[FORM OF]
FINAL RECOGNITION ORDER

Please see attached.

DRAFT
Court File No.: <>

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE JUSTICE <>	)))	<>, THE <> DAY OF NOVEMBER, 2010

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

ORDER
(November <>, 2010)

THIS MOTION, made by TerreStar Networks Inc. ("TSNI") in its capacity as the foreign representative (the "Foreign Representative") of Motient Holdings Inc., Motient Communications Inc., Motient License Inc., Motient Services Inc., MVH Holdings Inc., Motient Ventures Holdings Inc., TerreStar National Services, Inc., TerreStar License Inc., TerreStar New York Inc., 0887729 B.C. Ltd., TerreStar Networks Holdings (Canada) Inc. ("TSN Holdings") and TerreStar Networks (Canada) Inc. ("TSN Canada") (together with TSNI, the "Chapter 11 Debtors") and itself, in connection with the chapter 11 cases commenced by the Chapter 11 Debtors in the United States Bankruptcy Court for the Southern District of New York (the "U.S. Bankruptcy Court"), lead case number 10- [ ] (the "Chapter 11 Cases"), for an Order substantially in the form enclosed in the Foreign Representative's notice of motion dated November <>, 2010 (the "Notice of Motion") was heard, this day at Toronto, Ontario.

ON READING the affidavit of <> <> (the "<> Affidavit") sworn on November <>, 2010, and on hearing submissions of counsel for the Foreign Representative, counsel for the DIP Lenders (as defined in the <> Affidavit), those other parties present, and no one appearing for any other person on the service list, although served as appears from the Affidavit of Service of <> <> sworn <> <>, 2010, filed.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and that further service of the Notice of Motion and the Motion Record upon any interested person not served is dispensed with.

RECOGNITION OF ORDERS OF THE U.S. BANKRUPTCY COURT

2. **THIS COURT ORDERS AND DECLARES** that, without in any way limiting or impairing the Initial Recognition Order of this Court dated October <>, 2010, save and except as may be provided pursuant to the terms of the Final U.S. DIP Order (as defined herein), the following orders of the U.S. Bankruptcy Court dated November <>, 2010:

(a) Final Order Under Sections 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(c)(3), 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; and (III) Granting Adequate Protection to Prepetition Secured Parties (the "Final U.S. DIP Order"); and

(b) [ ]

each attached as Exhibit "A – [ ]" hereto, are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to Section 49 of the CCAA, and shall be implemented and become effective in Canada upon the issuance of this Order in accordance with their terms.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

EXHIBITS "A" – "[ ]"

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

Court File No. <>

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER

NOVEMBER <>, 2010

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Counsel to the Foreign Representative

EXHIBIT G

[FORM OF]
NOTICE OF BORROWING

The Bank of New York Mellon,
as Administrative Agent
600 East Las Colinas Blvd., Suite 1300
Irving, Texas 75039

RE: Notice of Borrowing under the Debtor-in-Possession Credit, Security & Guaranty Agreement, dated as of October [_], 2010 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among

(i) TERRESTAR NETWORKS INC., a Delaware corporation (the "Borrower"),

(ii) MOTIENT HOLDINGS INC., a Delaware corporation, MOTIENT COMMUNICATIONS INC., a Delaware corporation, MOTIENT LICENSE INC., a Delaware corporation, MOTIENT SERVICES INC., a Delaware corporation, TERRESTAR NEW YORK INC., a New York corporation, MVH HOLDINGS INC., a Delaware corporation, and MOTIENT VENTURES HOLDING INC. a Delaware corporation (collectively the "Non-Subsidiary Guarantors"); TERRESTAR NATIONAL SERVICES, INC., a Delaware corporation, and TERRESTAR LICENSE INC., a Delaware corporation, (together the "Domestic Subsidiary Guarantors");

(iii) TERRESTAR NETWORKS HOLDINGS (CANADA) INC., an Ontario corporation, TERRESTAR NETWORKS (CANADA) INC., an Ontario corporation, and 0887729 B.C. LTD, a British Columbia corporation (collectively the "Canadian Guarantors" and together with the Non-Subsidiary Guarantors, the Domestic Subsidiary Guarantors and such other guarantors from time to time party hereto, the "Guarantors"),

(iv) the Lenders from time to time party hereto; and

(v) THE BANK OF NEW YORK MELLON, as administrative agent and collateral agent (in such capacities, the "Administrative Agent").

Ladies and Gentlemen:

Reference hereby is made to the Credit Agreement. Capitalized terms used herein, and not otherwise defined herein, have their respective meanings given them in the Credit Agreement.

Pursuant to Section 2.03(a) of the Credit Agreement, the Borrower hereby gives you irrevocable notice that the Borrower hereby requests a Borrowing under the Credit Agreement, and sets forth below the information relating to such proposed Borrowing (the "Proposed Borrowing") as required by Section 2.03(a) of the Credit Agreement.

a. The Business Day of the Proposed Borrowing (provided that such date is either the Initial Funding Date or a Subsequent Funding Date during the Availability Period) is _____.

b. The amount of the Proposed Borrowing is $_____.

c. The remaining aggregate amount of the Commitments (after giving effect to the Proposed Borrowing) is $_____.

d. The Proposed Borrowing is to be made pursuant to the instructions set forth on Annex A attached hereto.

The Borrower, on behalf of itself and the Loan Parties, hereby further certifies that (i) as of the date hereof, (ii) as of the date for the Proposed Borrowing, and (iii) after giving effect to the Proposed Borrowing:

a. the representations and warranties set forth in Article III of the Credit Agreement and in the other Loan Documents are true and correct in all material respects except to the extent such representations and warranties expressly relate solely to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date (provided, however, in each case if any such representation or warranty is subject of a qualification as to "materiality," such qualified representation and warranty is true and correct in all respects as of such date);

b. no Default or Event of Default has occurred, is continuing or will result from the making of such Loan or the application of the proceeds therefrom; and

c. all conditions set forth in [Section 4.01][1] 4.02 of the Credit Agreement have been satisfied or waived by the Required Lenders.

[SIGNATURE PAGES FOLLOW]

[1] For Initial Funding Date only.

Very truly yours,

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

By:_____
Name:
Title:

Annex A

Wiring Instructions

Payee	Wiring Instructions
TerreStar Networks Inc.	**Bank:** [___] **ABA#** [___] **Account #** [___] **Ref:** [___]

EXHIBIT H-1

[FORM OF]
LEGAL OPINION OF AKIN GUMP STRAUSS HAUER & FELD LLP

October [•], 2010

The Bank of New York Mellon,
as Administrative Agent,
and the Lenders under the DIP Agreement (as defined below)

Re: TerreStar Networks Inc. DIP Agreement

Ladies and Gentlemen:

We have acted as special counsel to (i) TERRESTAR NETWORKS INC., a Delaware corporation (the "***Borrower***"), (ii) TERRESTAR NATIONAL SERVICES, INC., a Delaware corporation, (iii) TERRESTAR LICENSE INC., a Delaware corporation, (iv) MOTIENT HOLDINGS INC., a Delaware corporation, (v) MOTIENT COMMUNICATIONS INC., a Delaware corporation, (vi) MOTIENT LICENSE INC., a Delaware corporation, (vii) MOTIENT SERVICES INC., a Delaware corporation, (viii) TERRESTAR NEW YORK INC., a New York corporation, (ix) MVH HOLDINGS INC., a Delaware corporation, (x) MOTIENT VENTURES HOLDING INC., a Delaware corporation, (xi) TERRESTAR NETWORKS HOLDINGS (CANADA) INC., an Ontario corporation, (xii) TERRESTAR NETWORKS (CANADA) INC., an Ontario corporation, and (xiii) 0887729 B.C. LTD, a British Columbia corporation (each a "***Loan Party***" and collectively, the "***Loan Parties***"), in connection with the Debtor-in-Possession Credit, Security & Guaranty Agreement, dated as of the date hereof (the "***DIP Agreement***"), among the Borrower, the Guarantors, the Lenders party thereto (the "***Lenders***"), and The Bank of New York Mellon, as administrative agent and collateral agent (in such capacity, the "***Agent***"). This letter is being furnished to you at the request of the Borrower pursuant to Section 4.01(l)(i) of the DIP Agreement. Unless otherwise indicated, capitalized terms used herein but not otherwise defined herein shall have the meanings set forth in the DIP Agreement.

In connection with this letter, we have examined the following documents or copies thereof:

1. the DIP Agreement; and
2. Interim Order of the United States Bankruptcy Court for the Southern District of New York (the "***Bankruptcy Court***"), dated October [•], 2010, [in In re: TerreStar Networks Inc., et. al., Case No. [•](•)] (the "***Interim Order***").

October [•], 2010

As to various questions of fact relevant to this letter, we have relied, without independent investigation, upon certificates of officers and other officials of the Loan Parties and representations and warranties of the parties in the Loan Documents, all of which we assume, without independent investigation, to be true, accurate, correct and complete. We wish to inform you that our knowledge is necessarily limited due to the limited scope of our review. In addition, we have made no inquiry of the Loan Parties or any other Person (including governmental authorities), except as described herein.

We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all copies submitted to us as conformed, certified or reproduced copies.

Based upon the foregoing and subject to the assumptions, exceptions, qualifications and limitations set forth herein, we are of the opinion that the Interim Order was entered by the Bankruptcy Court on October [•], 2010. As of [•]am Eastern Time on October [•], 2010 there was no order entered by the Bankruptcy Court on the Official Docket (defined below) to reverse, stay, vacate or modify the Interim Order. Our opinion is based exclusively upon our review of the court docket maintained in [In re: TerreStar Networks Inc., et. al., Case [•] (•)] commenced under Title 11 of the United States Code (the "***Bankruptcy Code***") in the Bankruptcy Court as of [•]am Eastern Time on October [•], 2010, a copy of which is annexed hereto as Schedule A (the "***Official Docket***").

The opinions and other matters in this letter are qualified in their entirety and subject to the following:

A. We express no opinion as to the laws of any jurisdiction other than the Included Laws. We have made no special investigation or review of any published constitutions, treaties, laws, rules or regulations or judicial or administrative decisions ("***Laws***"), other than a review of (i) the Laws of the State of New York and (ii) the Federal Laws of the United States of America. For purposes of this letter, the term "***Included Laws***" means the Laws described in clauses (i) and (ii) of the preceding sentence that are, in our experience, normally applicable to transactions of the type contemplated in the Loan Documents. The term Included Laws specifically excludes: (a) Laws of any counties, cities, towns, municipalities and special political subdivisions and any agencies thereof; (b) Laws relating to land use, zoning and building code issues, taxes, environmental issues, ERISA matters, labor matters, intellectual property issues, antitrust issues and trade regulation issues; (c) securities Laws, (d) Laws of Canada and any province or territory thereof and (e) Laws relating to government regulation of the operations of the Loan Parties, the Agent or any other Person.

October [•], 2010

B. This letter and the matters addressed herein are as of the date hereof or such earlier date as is specified or implied herein, and we undertake no, and hereby disclaim any, obligation to advise you of any change in any matter set forth herein, whether based on a change in Law, a change in any fact relating to the Loan Parties or any other Person, or any other circumstance. This letter is limited to the matters expressly stated herein and no opinions are to be inferred or may be implied beyond the opinions expressly set forth herein. This letter represents our only expression of legal opinions to you in connection with the transactions contemplated by the Loan Documents, and may not be contradicted or supplemented by evidence of any prior, contemporaneous or subsequent communications by us to you, your counsel or others other than subsequent written communications that specifically refer hereto. You and, if applicable, the other persons or entities entitled to rely upon this letter may not rely upon any such other communications other than as specified in the preceding sentence.

C. We have relied on the truth and accuracy of all representations and warranties and compliance with all covenants contained in the Loan Documents.

This letter is solely for your benefit and that of your successors and permitted assigns, and no other person shall be entitled to rely upon this letter. Without our prior written consent, this letter may not be quoted in whole or in part or otherwise referred to in any document and may not be furnished or otherwise disclosed to or used by any other person, except for (i) delivery of copies hereof to counsel for the addressee hereof, (ii) inclusion of copies hereof in a closing file, and (iii) use hereof in any legal proceeding arising out of the transactions contemplated by the DIP Agreement filed by an addressee hereof against this law firm or in which an addressee hereof is a defendant.

Very truly yours,

AKIN, GUMP, STRAUSS, HAUER & FELD L.L.P.

Schedule A

Attached

EXHIBIT H-2

[FORM OF]
LEGAL OPINION OF FRASER MILNER CASGRAIN LLP

October [ ], 2010

The Lenders and the DIP Agent under the Debtor-in-Possession Credit,
Security & Guaranty Agreement
(as defined below)
c/o The Bank of New York Mellon,
as Administrative Agent
600 East Las Colinas Blvd., Suite 1300
Irving, Texas 75039

Dear Sirs:

We have acted as special Canadian counsel to TerreStar Networks Inc. ("**TSNI**"), a Delaware corporation, in its capacity as the foreign representative (the "**Foreign Representative**") of, among other things, itself, 0887729 B.C. Ltd. ("**088 B.C.**"), TerreStar Networks Holdings (Canada) Inc. ("**TSN Holdings**") and TerreStar Networks (Canada) Inc. ("**TSN Canada**") (088 B.C., TSN Holdings and TSN Canada, collectively, the "**Canadian Debtors**" and individually, a "**Canadian Debtor**") under an application (the "**CCAA Recognition Application**") of TSNI under Section 46 of the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**").

The Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**") issued an initial recognition order on October 18, 2010 in respect of the CCAA Recognition Application in the form attached hereto as Schedule "A" (the "**Initial Recognition Order**"), pursuant to, among other things, Sections 11.2 and Part IV of the CCAA.

TSNI is party to that certain Debtor-in-Possession Credit, Security & Guaranty Agreement dated as the date hereof (the "**DIP Credit Agreement**"), among the Loan Parties (as defined therein, and including TSNI, as Borrower, and the Canadian Debtors), the lenders from time to time party thereto (each a "**DIP Lender**" and collectively, the "**DIP Lenders**") and The Bank of New York Mellon, as administrative agent and collateral agent for the Lenders (the "**DIP Agent**").

In connection with this opinion, we have examined and relied on (a) the Initial Recognition Order, (b) an executed copy of the DIP Credit Agreement and (c) the "U.S. Interim DIP Financing Order" (as that term is defined in the Initial Recognition Order).

As to questions of fact material to such opinions, we have, when relevant facts were not independently established by us, relied upon representations of the Loan Parties and their respective officers made in or pursuant to the Credit Agreement, various certificates of officers of the Loan Parties and of public officials. In rendering the opinions expressed below, we have assumed the genuineness of each signature on all documents that we have examined and the authenticity of all documents submitted to us as originals and the conformity to the original of

each document submitted to us as a copy or facsimile, notarial, certified or conformed copy thereof.

Notwithstanding anything else contained herein, the scope of our review and the opinions contained herein are restricted to and made solely with respect to the laws of the Province of Ontario and the federal laws of Canada applicable herein as such laws exist on the date hereof (the "**Applicable Law**") and we do not purport to express any opinion herein concerning any law other than the Applicable Law. Without limitation, we specifically note that we are not licensed to practice law in the United States of America or any state therein and we are not giving any opinions in respect of such laws or the U.S. Interim DIP Financing Order.

Based upon the foregoing and subject to the assumptions, limitations, qualifications and exceptions set forth below, we are of the opinion as follows:

1. By virtue of the issuance of the Initial Recognition Order, the U.S. Interim DIP Financing Order is recognized pursuant to Part IV of the CCAA and is, to the extent it affects the Canadian Debtors, given full force and effect in all provinces and territories of Canada.

2. To our knowledge, the Initial Recognition Order has not been stayed, vacated, or otherwise modified and is not currently under appeal.

   Without limiting opinions 1 and 2 above, and subject to the assumptions, limitations, qualifications and exceptions set forth herein, we are also of the opinion that:

3. The Canadian Debtors are authorized, without stockholder, member or board of directors (or similar body) approval to enter into, execute and perform their obligations under the DIP Credit Agreement.

4. The DIP Credit Agreement is valid and binding on the Canadian Debtors.

5. By the Interim Recognition Order, all Property of the Canadian Debtors is charged by the DIP Charge (as that term is defined in the Initial Recognition Order) in favour of the DIP Agent as security for payment and performance of the obligations of the Canadian Debtors under the "Loan Documents" (as that term is defined in the DIP Credit Agreement), but for certainty, excluding Property of the Canadian Debtors which is excluded from such charge by the terms of the Loan Documents (the **"Charged Canadian Property"**), and the DIP Charge constitutes a valid charge against the Charged Canadian Property enforceable for all purposes in Canada, including, without limitation, despite any right, title or interest filed, registered, recorded or perfected subsequent to the DIP Charge coming into existence notwithstanding any failure to file, register, record or otherwise perfect such DIP Charge.

This letter is limited to the matters stated herein and no opinion or view is implied or may be inferred beyond the matters expressly stated.

This letter speaks only as of the date hereof and is limited to present statutes, regulations and administrative and judicial interpretations to the extent included as Applicable Law and to the

facts as they currently exist. We undertake no responsibility to update or supplement this opinion letter after the date hereof.

No person or entity may rely or claim reliance upon this letter other than you and your permitted successors and assigns in accordance with the Credit Agreement. This opinion letter may not be quoted, distributed or disclosed, except that copies of this opinion may be distributed and disclosed to (a) your legal counsel, accountants, and auditors on a need to know basis, (b) any provincial or federal governmental or other regulatory authority and bank examiners pursuant to any legal process of any court or governmental or regulatory authority and (c) your successors, assigns and participants in accordance with the terms of the Credit Agreement, but none of such persons described in clauses (a) through (c) (other than, as opined to as of the date hereof, your permitted successors and assigns) shall be entitled to rely upon this opinion.

Very truly yours,

"SCHEDULE A"

EXHIBIT I

[FORM OF]
SECURED PROMISSORY NOTE

Principal Amount:

$_____ New York, New York

[Date]

FOR VALUE RECEIVED, the undersigned, TERRESTAR NETWORKS INC., a Delaware corporation ("Borrower"), hereby promises to pay to the order of [ ] (the "Lender") on the Termination Date (as defined in the Credit Agreement referred to below) in lawful money of the United States and in immediately available funds, the principal amount set forth above, or, if different, the aggregate unpaid principal amount of all Loans of the Lender shown on Schedule 1 attached hereto outstanding under the Credit Agreement referred to below, which sum shall be due and payable in such amounts and on such dates as are set forth in the Credit Agreement. Borrower further agrees to pay interest in accordance with Section 2.08 of the Credit Agreement on the unpaid principal amount hereof from time to time from the date hereof at the rates, and on the dates, specified in Section 2.08 of such Credit Agreement.

The holder of this Note may endorse Schedule 1 attached hereto to reflect the date and amount of each Loan of the Lender outstanding under the Credit Agreement, the date and amount of each payment or prepayment of principal hereof, and each amount of interest or other fees capitalized as principal pursuant to the terms of the Credit Agreement, and Schedule 1, as so endorsed shall serve as conclusive evidence of the outstanding principal amount under this note absent manifest error; *provided* that the failure of the Lender to make any such recordation (or any error in such recordation) shall not affect the obligations of Borrower hereunder or under the Credit Agreement.

This Note is one of the Notes referred to in the Debtor-In-Possession Credit, Security & Guaranty Agreement, dated as of October [_], 2010 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among:

(i) the Borrower,

(ii) MOTIENT HOLDINGS INC., a Delaware corporation, MOTIENT COMMUNICATIONS INC., a Delaware corporation, MOTIENT LICENSE INC., a Delaware corporation, MOTIENT SERVICES INC., a Delaware corporation, TERRESTAR NEW YORK INC., a New York corporation, MVH HOLDINGS INC., a Delaware corporation, and MOTIENT VENTURES HOLDING INC. a Delaware corporation (collectively the "Non-

Subsidiary Guarantors"); TERRESTAR NATIONAL SERVICES, INC., a Delaware corporation, and TERRESTAR LICENSE INC., a Delaware corporation (together the "Domestic Subsidiary Guarantors");

(iii) TERRESTAR NETWORKS HOLDINGS (CANADA) INC., an Ontario corporation, TERRESTAR NETWORKS (CANADA) INC., an Ontario corporation, and 0887729 B.C. LTD, a British Columbia corporation (collectively the "Canadian Guarantors" and together with the Non-Subsidiary Guarantors, the Domestic Subsidiary Guarantors and such other guarantors from time to time party hereto, the "Guarantors"),

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

(v) THE BANK OF NEW YORK MELLON, as administrative agent and collateral agent (in such capacities, the "Administrative Agent"). Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

This Note is secured and guaranteed as provided in the Credit Agreement and the Loan Documents. Reference is hereby made to the Credit Agreement and the Loan Documents for a description of the properties and assets in which a security interest has been granted, the nature and extent of the security and guarantees, the terms and conditions upon which the security interest and each guarantee was granted and the rights of the holder of this Note in respect thereof.

Upon the occurrence of any one or more of the Events of Default specified in the Credit Agreement, all amounts then remaining unpaid on this Note shall become, or may be declared to be, immediately due and payable all as provided therein.

All parties now and hereafter liable with respect to this Note, whether maker, principal, surety, guarantor, endorser or otherwise, hereby waive presentment, demand, protest and all other notices of any kind.

THIS NOTE MAY NOT BE TRANSFERRED EXCEPT IN COMPLIANCE WITH THE TERMS OF THE CREDIT AGREEMENT. TRANSFERS OF THIS NOTE MUST BE RECORDED IN THE REGISTER MAINTAINED BY THE ADMINISTRATIVE AGENT PURSUANT TO THE TERMS OF THE CREDIT AGREEMENT.

THIS NOTE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

[Signature Page Follows]

TERRESTAR NETWORKS INC.,
as Borrower

By: _____
Title:
Name:

Schedule I

ADVANCES, PAYMENTS OF PRINCIPAL AND INTEREST AND FEES CAPITALIZED

Date	Amount of Advance or Interest/Fees Capitalized	Interest Rate	Amount of Principal Paid or Prepaid	Unpaid Principal Balance	Notation Made By

Schedule 2.01[1]

Commitments

Lender	**Commitment**
EchoStar Corporation	$75,000,000

[1] Capitalized terms used in these Schedules, if not otherwise defined herein, shall have the meanings ascribed to them in the Debtor-in-Possession Credit, Security & Guaranty Agreement dated as of October 21, 2010, by and among the parties thereto.

Schedule 3.01

Organization and Good Standing

None.

Schedule 3.04

Governmental Approvals

None.

Schedule 3.05

Disclosed Liabilities

None.

Schedule 3.06

Material Adverse Effect Exceptions

The Loan Parties have failed to pay operating expenses, including trade payables.

Schedule 3.07(b)

Possession under Leases

None.

Schedule 3.07(c)

Real Property

Owner	Address	City	State	Country	Zip Code
0887729 B.C. Ltd.	Village of Dafoe	Dafoe	SK	Canada	S0K 1C0

Schedule 3.07(d)

Leased Premises

Entity	Address	City	State	Country	Zip Code
TerreStar Networks Inc.	4605 36th Avenue	Valleyview	AB	Canada	T0H 3NO
TerreStar Networks Inc.	86281 E. Webb Court	San Manuel	AZ	USA	85631
TerreStar Networks Inc.	42865 Burns Lake	Burns Lake	BC	Canada	VOJ 1
TerreStar Networks Inc.	8801 SW 177 Avenue	Miami	FL	USA	33196
Motient Communications Inc.	300 Knightsbridge Pkwy	Lincolnshire	IL	USA	60669
TerreStar Networks Inc.	1256 W. Old State Road	Austin	IN	USA	47102
TerreStar Networks Inc.	4814 W. Admiral Doyle Drive	New Iberia	LA	USA	70506
TerreStar Networks Inc.	146 Balgra Road	Merry Hill	NC	USA	27983
TerreStar Networks Inc.	5196-83rd Avenue NE	Devils Lake	ND	USA	58301
TerreStar Networks Inc.	Sec. 24 Township 10 South Range 17 East	Tinnie	NM	USA	88351
TerreStar Networks Inc.	146 Third Street	Austin	NV	USA	89310
TerreStar Networks Inc.	1 Aerojet Way, Suite 300	North Las Vegas	NV	USA	89310
0887729 B.C. Ltd	Pickle Lake Road	Pickle Lake	ON	Canada	
0887729 B.C. Ltd	W 1065-15590 Highway 62	Madoc	ON	Canada	
0887729 B.C. Ltd	133438 Allan Park Road	West Grey Township, Allan	ON	Canada	

Entity	Address	City	State	Country	Zip Code
		Park			
TerreStar Networks Inc.	23488 S. Barlow Road	Canby	OR	USA	97073
TerreStar Networks Inc.	148 Roselawn Drive	Junction	TX	USA	76849
TerreStar Networks Inc.	15712 US 83 North	Laredo	TX	USA	78041
TerreStar Networks Inc.	2703 Telecom Pkwy, Suite 100	Richardson	TX	USA	75082
TerreStar Networks Inc.	925 West 100 North, Suite A	North Salt Lake	UT	USA	84054
TerreStar Networks Inc.	8-15 & Frontage Road	Paragonah	UT	USA	84760
TerreStar Networks Inc.	12010 Sunset Hills Road, Suite 600	Reston	VA	USA	20190
TerreStar Networks Inc.	280 Wolf Hill Lane	Independence	VA	USA	24348
TerreStar Networks Inc.	497 Road U, NE	Warden	WA	USA	98857
TerreStar Networks (Canada) Inc.	1035, Laurier Avenue W. 2nd Floor	Montreal	Quebec	Canada	H2V 2L1

Schedule 3.08

Subsidiaries

Entity	Jurisdiction	Direct Owner	Ownership Interest
TerreStar Networks Inc.	Delaware	Motient Ventures Holding Inc.	89.3%
Motient Holdings Inc.	Delaware	Terrestar Corporation	100%
Motient Communications Inc.	Delaware	Motient Holdings Inc.	100%
Motient License Inc.	Delaware	Motient Communications Inc.	100%
Motient Services Inc.	Delaware	Motient Holdings Inc.	100%
TerreStar New York Inc.	New York	Terrestar Corporation	100%
MVH Holdings Inc.	Delaware	Terrestar Corporation	100%
Motient Ventures Holding Inc.	Delaware	MVH Holdings Inc.	100%
TerreStar Global Ltd.	Bermuda	Motient Ventures Holding Inc.	86.5%
TerreStar National Services, Inc.	Delaware	TerreStar Networks Inc.	100%
TerreStar License Inc.	Delaware	TerreStar Networks Inc.	100%
TerreStar Networks Holdings (Canada) Inc.	Ontario	TerreStar Networks Inc.	33.3%
		4491165 Canada Inc.	66.6%
TerreStar Networks (Canada) Inc.	Ontario	TerreStar Networks Inc.	20%
		TerreStar Networks Holdings (Canada) Inc.	80%
0887729 B.C. Ltd.	British Columbia	TerreStar Networks Inc.	100%

Schedule 3.09

Litigation

Sprint Nextel Litigation

On June 25, 2008, Sprint Nextel Corporation ("Sprint") filed a lawsuit in the United States District Court for the Eastern District of Virginia naming TerreStar Networks Inc. as a defendant. New ICO Satellite Services, G.P. was also named as a defendant (together with TerreStar Networks Inc., the "Defendants"). In this lawsuit, Sprint contends that the Defendants owe them reimbursement for certain spectrum relocation costs Sprint has incurred or will incur in connection with relocating incumbent licensees from certain frequencies in the 2 GHz spectrum band. Sprint seeks, among other things, enforcement of certain Federal Communication Commission orders and reimbursement of not less than $100 million from each Defendant. On our motion, the United State District Court for the Eastern District of Virginia has stayed Sprint's suit on the ground that primary jurisdiction of the dispute resides in the FCC; the case has been administratively closed. The case remains stayed pending a final decision by the FCC.

Threatened IP Infringement Claim

In November 2009, Jae-Youn Kim, a Korean patent attorney, sent an e-mail to TerreStar Networks Inc. stating that it must license his clients' patents or risk an infringement claim. Mr. Kim referenced the following patents and patent applications: US 7,321,783; US 6,681,120; US 6,278,884; 10/733,606; 11/184,297; 11/184,299; and 12/435,964.

Schedule 3.13

Taxes

None.

Schedule 3.16

Environmental Matters

None.

Schedule 3.17

Labor Matters

None.

Schedule 3.18

Insurance

Coverage	Insurance Company	Term	Premium	Insurance Agent	Entity Party to Insurance	Policy Number
Commercial Package - US	Great Northern	4/1/2010 - 4/1/2011	63,841.00	Edgewood Partners	TerreStar Corporation	3535-34-47 BAL
Commercial Package - CAN	Chubb Ins. Company of Canada	4/1/2010 - 4/1/2011	13,930.00	HKMB HUB International	TerreStar Corporation	35918469
Hired/Non-owned auto	Great Northern	4/1/2010 - 4/1/2011	1,297.00	Edgewood Partners	TerreStar Corporation	(10)7355-12-61
Workers Compensation	Chubb Indemnity	4/1/2010 - 4/1/2011	23,892.00	Edgewood Partners	TerreStar Corporation	(11)7172-72-74
Umbrella	Federal	4/1/2010 - 4/1/2011	8,361.00	Edgewood Partners	TerreStar Corporation	7986-95-68 BAL
Fiduciary Liability	Federal	4/1/2010 - 4/1/2011	11,447.00	Edgewood Partners	TerreStar Corporation	8141-4446
Crime/ERISA	Federal	4/1/2010 - 4/1/2013	1,500.00	Edgewood Partners	TerreStar Corporation	8208-1766
D&O - Primary layer	XL Specialty Insurance Company	11/8/2009 - 11/8/2010	300,000.00	Marsh USA	TerreStar Corporation	ELU114568-09
D&O - 1st layer	ACE American Insurance Company	11/8/2009 - 11/8/2010	190,000.00	Marsh USA	TerreStar Corporation	DOX G24566717 001
DSO – Canada	Encon Group Inc.	4/12/2010 – 4/12/2011	CDN $14,575.00	Integro (Canada) Inc.	TerreStar Networks (Canada) Inc. and TerreStar Networks Holdings (Canada) Inc.	EIM-PV-0699

Coverage	Insurance Company	Term	Premium	Insurance Agent	Entity Party to Insurance	Policy Number
D&O - 2nd layer (side A)	National Union Fire Insurance Company of Pittsburgh, PA	11/8/2009 - 11/8/2010	82,503.00	Marsh USA	TerreStar Corporation	01-361-36-35
Health care	Anthem BCBS	12/1/2009-11/30/2010	1,248,000.00	AH&T	TerreStar Networks Inc.	40896000
Dental care	United Concordia	01/01/2010-12/31/2010	88,000.00	AH&T	TerreStar Networks Inc.	889446000
Vision care	VSP	01/01/2010-12/31/2010	28,800.00	AH&T	TerreStar Networks Inc.	30001640
Life, AD&D, STD, LTD	Standard	01/01/2010-12/31/2010	134,000.00	AH&T	TerreStar Networks Inc.	Life: 120628A LTD: 120628C STD: 120628B

Coverage	Insurance Company	Term	Premium	Insurance Agent	Entity Party to Insurance	Policy Number
In-Orbit TerreStar-1 Satellite	TOKIO MITSUI INTER-AERO LRS XL ElseCo Asia Cap Re CHAUCER GLOBAL Munich Re Inter Hannover Sciemus WATKINS SCOR Kiln HISCOX GLACIER Re SATEC ATRIUM ElseCo BRIT Paris Re	7/1/2010 – 7/1/2011	3,149,189	International Space Brokers	TerreStar Networks Inc.	AE0904541

Schedule 3.20

Licenses

International Bureau Filing System Database:

File Number	Callsign	Status	Subsystem Code	Name	FRN	Grant	Expiration
ITC2142010051300194		AFP	ITC	TerreStar License Inc.	0017400300	07/15/2010	
ITC2142010051300195		AFP	ITC	TerreStar License Inc.	0017400300	07/15/2010	
SESLIC2009040300405	E090061	ATPN	SES	TerreStar License Inc.	0017400300	03/11/2010	03/11/2025
SESLIC2006120602100	E060430	A/C	SES	TerreStar Networks Inc.	0015474026	01/13/2010	01/13/2025
SESMOD2010072700963	E060430	APN	SES	TerreStar License Inc.	0017400300	PN 9/15/10	
SESLIC2007053000732	E070098	ATPN	SES	TerreStar Networks Inc.	0015474026	11/13/2008	11/13/2023
SESMOD2010080501001	E070098	Grant	SES	TerreStar Networks Inc.	0015474026	09/21/2010	11/13/2023
SATMOD-20090617-00070	S2633	ATPN	SAT	TerreStar Networks Inc.	0015474026	06/30/2009	

Number/Type	Callsign	Name	Station Location Coordinates	Zone	Latitude	Longitude
5077422/FIXED	VD217	0887729 B.C. Ltd.	Burns Lake (CES1) BC	Non-Metropolitan/ Zone C	54 13 13 N	125 44 37 W
5077423/FIXED	VD217	0887729 B.C. Ltd.	Valleyview (CES3) AB	Non-Metropolitan/ Zone C	55 02 50 N	117 16 15 W
5077422/FIXED	VD217	0887729 B.C. Ltd.	Burns Lake (CES1) BC	Non-Metropolitan/ Zone C	54 13 13 N	125 44 37 W
5077423/FIXED	VD217	0887729 B.C. Ltd.	Valleyview (CES3) AB	Non-Metropolitan/ Zone C	55 02 50 N	117 16 15 W
5077424/FIXED	VD217	0887729 B.C. Ltd.	Dafoe (CES9) SK	Non-Metropolitan/ Zone C	51 45 14 N	104 31 20 W
5077425/FIXED	VD217	0887729 B.C. Ltd.	Pickle Lake (CES14) ON	Non-Metropolitan/ Zone C	51 28 44 N	090 10 24 W
5077426/FIXED	VD217	0887729 B.C. Ltd.	Madoc (CES17) ON	Non-Metropolitan/ Zone C	44 34 27 N	077 30 42 W
5077139/FIXED	VD216	0887729 B.C. Ltd.	Allan Park (APK) ON	Non-Metropolitan/ Zone C	44 10 30 N	080 56 10 W

TerreStar Networks (Canada) Inc. Spectrum Licence to Provide Mobile Satellite Services in Canada via the TerreSTar-1 Satellite using 2005 – 2010 MHz Uplink and 2195-2200 MHz Downlink effective April 10, 2010; Industry Canada file # 46208-1

TerreStar Networks (Canada) Inc. TerreStar-1 Radio Licence for Ku and extended Ku band spectrum for feederlink and TT&C effective December 18, 2009; Industry Canada file #624125-5

Schedule 3.22

Accounts

Entity	Institution	Account No.	Type of Account
TerreStar Networks Inc.	SunTrust Bank	704193639	Demand Deposit
TerreStar Networks Inc.	SunTrust Bank	7900296	Investment
TerreStar Networks Inc.	SunTrust Bank	120920000	CD 17516380676
TerreStar Networks Inc.	SunTrust Bank	120920000	CD 17517102947
Motient Communications Inc.	SunTrust Bank	704193213	Demand Deposit
Motient Communications Inc.	SunTrust Bank	704193256	Disbursement
TerreStar National Services, Inc.	SunTrust Bank	1000052242558	Demand Deposit
TerreStar New York Inc.	SunTrust Bank	1000103362405	Demand Deposit
0887729 B.C. Ltd.	HSBC Bank Canada	031-433170-001	Demand Deposit
TerreStar Networks (Canada) Inc.	TD Canada Trust	102025319637	Demand Deposit
TerreStar Networks (Canada) Inc.	TD Canada Trust	102027376155	Demand Deposit
TerreStar Networks (Canada) Inc.	SunTrust Bank	1000114218869	Demand Deposit
TerreStar Networks Holdings (Canada) Inc.	SunTrust Bank	1000114218851	Demand Deposit
0887729 B.C. Ltd.	SunTrust Bank	1000114218844	Demand Deposit
TerreStar Networks (Canada) Inc.	Royal Bank of Canada	101-679-9	Demand Deposit
TerreStar Networks (Canada) Inc.	Royal Bank of Canada	400-494-1	Demand Deposit

Schedule 3.23

Brokers

None.

Schedule 3.26

Transaction with Affiliates

1. Amended and Restated Shareholders Agreement, dated as of August 11, 2009, among 4491165 Canada Inc., TerreStar Networks Inc., TerreStar Networks Holdings (Canada) Inc., TerreStar Networks (Canada) Inc. and Trio 2 General Partnership.

2. Rights And Services Agreement effective August 11, 2009 between TerreStar Solutions Inc. and TerreStar Networks Inc.

3. Guarantee And Share Pledge Agreement effective August 11, 2009 between 4491165 Canada Inc. and Terrestar Networks Inc.,

4. Cost-sharing arrangement between TerreStar Networks (Canada) Inc. and TerreStar Solutions Inc.

5. Intercompany Indebtedness of TerreStar Networks Inc. owed to TerreStar Corporation in the amount of $56,875,342.00.

6. Intercompany Indebtedness of TerreStar Networks Inc. owed to Terrestar Global Ltd. in the amount of $7,500.00.

7. Intercompany Indebtedness of TerreStar Corporation owed to TerreStar Networks Inc. in the amount of $267,717.00.

8. Intercompany Indebtedness of TerreStar National Services, Inc. owed to TerreStar Corporation in the amount of $11,022.00.

9. Intercompany Indebtedness of 0887729 B.C. Ltd. owed to TerreStar Corporation in the amount of $945.24.

10. Intercompany Indebtedness of TerreStar New York Inc. owed to TerreStar Corporation in the amount of $5,000.00.

11. Intercompany Indetbedness of TerreStar Networks Inc. owed to TerreStar Networks (Canada) Inc. in the amount of $46,654.12.

12. Intercompany Indetbedness of TerreStar Networks Inc. owed to TerreStar Networks (Canada) Inc. in the amount of $44,930.82.

13. Intercompany Indebtedness of TerreStar National Services, Inc. owed to TerreStar Networks Inc. in the amount of $72,689.17.

14. Intercompany Indebtedness of TerreStar National Services, Inc. owed to TerreStar Networks Inc. in the amount of $732,178.00.

15. Intercompany Indebtedness of TerreStar Networks (Canada) Inc. to TerreStar Networks Inc. in the amount of $7,817,052.79.

16. $10,000,000 Term Note, dated September 21, 2009, issued by TerreStar Networks Inc. to TerreStar Corporation.

17. First Amended and Restated Wholesale Satellite Capacity Agreement, dated as of October 6, 2010, between TerreStar Solutions Inc. and TerreStar Networks (Canada) Inc.

Schedule 3.27(a)

Collateral – Legal Names

Legal Name	Type of Entity	Registered Organization	Organizational Number	Federal Taxpayer Identification Number	Jurisdiction
TerreStar Networks Inc.	Corporation	Yes	3491967	32-0003931	Delaware
Motient Holdings Inc.	Corporation	Yes	2835859	54-1876634	Delaware
Motient Communications Inc.	Corporation	Yes	2442421	36-3983833	Delaware
Motient License Inc.	Corporation	Yes	3773878	20-0922431	Delaware
Motient Services Inc.	Corporation	Yes	2255475	52-1735106	Delaware
TerreStar New York Inc.	Corporation	Yes	N/A	27-2176394	New York
MVH Holdings Inc.	Corporation	Yes	3513154	03-0429756	Delaware
Motient Ventures Holding Inc.	Corporation	Yes	3445643	54-2056191	Delaware
TerreStar National Services, Inc.	Corporation	Yes	4444380	26-1716319	Delaware
TerreStar License Inc.	Corporation	Yes	4497393	26-1866537	Delaware
TerreStar Networks Holdings (Canada) Inc.	Corporation	Yes	002103104	98-0671337	Ontario
TerreStar Networks (Canada) Inc.	Corporation	Yes	002103103	33-1218766	Ontario
0887729 B.C. Ltd.	Corporation	Yes	C0887729	98-0671345	British Columbia

Schedule 3.27(b)

Collateral – Prior Organizational Names

Entity	Prior Name	Date of Change
TerreStar New York Inc.	Worldwide Imaging, Inc.	3/10/10
0887729 B.C. Ltd.	4506901 Canada Inc.	8/9/10

Schedule 3.27(c)

Collateral – Changes in Corporate Identity; Other Names

None.

Schedule 3.27(d)

Collateral – Chief Executive Office

Entity	Address	County
TerreStar Networks Inc.	12010 Sunset Hills Road, 6th Floor Reston, VA 20190	Fairfax
Motient Holdings Inc.	12010 Sunset Hills Road, 6th Floor Reston, VA 20190	Fairfax
Motient Communications Inc.	12010 Sunset Hills Road, 6th Floor Reston, VA 20190	Fairfax
Motient License Inc.	12010 Sunset Hills Road, 6th Floor Reston, VA 20190	Fairfax
Motient Services Inc.	12010 Sunset Hills Road, 6th Floor Reston, VA 20190	Fairfax
TerreStar New York Inc.	545 8th Avenue, Room 401 New York, NY 10018	New York
MVH Holdings Inc.	12010 Sunset Hills Road, 6th Floor Reston, VA 20190	Fairfax
Motient Ventures Holding Inc.	12010 Sunset Hills Road, 6th Floor Reston, VA 20190	Fairfax
TerreStar National Services, Inc.	11951 Freedom Drive, 13th Floor Reston, VA 20190	Fairfax
TerreStar License Inc.	12010 Sunset Hills Road, 6th Floor Reston, VA 20190	Fairfax
TerreStar Networks Holdings (Canada) Inc.	1035 Ave. Laurier West, 2nd Floor Outremont Canada QC-H2V-2L1	Quebec
TerreStar Networks (Canada) Inc.	1035 Ave. Laurier West, 2nd Floor Outremont Canada QC-H2V-2L1	Quebec
0887729 B.C. Ltd.	1040 West Georgia Street, 15th Floor Vancouver, B.C., V6E 4H8	British Columbia

Schedule 3.27(e)

Collateral – Extraordinary Transactions

None.

Schedule 3.27(f)

Collateral – Patents and Trademarks

Patents

None.

Trademarks

Mark	Country	App. No.
GENUS App. No. 77/833,909	U.S.	77/833,909
TERRESTAR (& Design) TerreStar	Canada	1366903
TERRESTAR	U.S.	77/029,351
TERRESTAR MEANS CONNECTED	U.S.	77/786,014
TERRESTAR MEANS STAYING CONNECTED	U.S.	77/802,055
TERRESTAR (& Design) TerreStar	U.S.	77/300,146
TERRESTAR GLOBAL	U.S.	77/119,079
TERRESTAR GLOBAL (& Design) TerreStar GLOBAL	U.S.	77/117,371
TERRESTAR (& Design) TerreStar	U.S.	77/117,366

Mark	Country	App. No.
TERRESTAR MEANS CONNECTED	Canada	1447991
TERRESTAR MEANS STAYING CONNECTED	Canada	1447992
MOBILE COMMUNICATIONS REDEFINED	U.S.	77/277,501
TERRESTAR	U.S.	77/556,344
GENUS	Canada	1453031
TERRESTAR GLOBAL (& Design) 	Canada	1335344
TERRESTAR NETWORKS (& Design) 	Canada	1335345
TERRESTAR	Canada	1141175
TERRESTAR GLOBAL	CTM	5627013
TERRESTAR	CTM	5627005
TERRESTAR GLOBAL	CTM	5721071
TERRESTAR LOGO	CTM	6375984
TERRESTAR GLOBAL (& Design)	Mexico	989749
TERRESTAR NETWORKS (& Design)	Mexico	992991
TERRESTAR NETWORKS (& Design)	Mexico	1084191
TERRESTAR GLOBAL (& Design)	Mexico	1084192

Schedule 3.27(g)

Collateral – Copyrights

Copyrights

None.

Schedule 3.27(h)

Collateral – Intellectual Property Licenses

1. Second Amended and Restated Intellectual Property Assignment and License Agreement, dated as of November 21, 2006, between ATC Technologies, LLC and TerreStar Networks Inc.

2. Intellectual Property Agreement, dated as of January 19, 2007, between Hughes Network Systems, LLC and TerreStar Networks Inc.

3. Amended and Restated Intellectual Property License Agreement, dated as of August 11, 2009, between TerreStar Networks Inc. and TerreStar Networks (Canada) Inc.

4. First Amended and Restated Wholesale Satellite Capacity Agreement, dated as of October 6, 2010, between TerreStar Solutions Inc. and TerreStar Networks (Canada) Inc.

Schedule 3.27(i)

Commercial Tort Claims

None.

Schedule 5.06

Material Contracts

1. Sublicense Agreement, dated as of August 5, 2008, between Elektrobit, Inc. and TerreStar Networks Inc.

2. Contract for Design, Development and Supply of Satellite Base Station Subsystem (S-BSS), dated as of February 6, 2007, between Hughes Network Systems, LLC and TerreStar Networks Inc, as amended on April 13, 2007, August 1, 2008, March 9, 2009, July 15, 2009, and April 14, 2010.

3. Contract for the Design and Development of GMR1-3G Software Components, dated as of March 31, 2009, between Hughes Network Systems, LLC, SkyTerra LP, and TerreStar Networks Inc.

4. Letter Agreement between TerreStar Networks Inc. and Elektrobit, Inc. dated September 2009 Re: Software License Agreement Between Freescale Semiconductor, Inc. and Elektrobit, Inc. dated December 08, 2008.

5. Common Interest and Joint Defense Agreement, dated December 6, 2007, between Elektrobit, Inc. and TerreStar Networks Inc.

6. Master Development and Licensing Agreement, dated August 10, 2007, between Elektrobit, Inc. and TerreStar Networks Inc., as amended on August 14, 2007, August 31, 2007, September 19, 2007, January 22, 2008, October 22, 2008, December 19, 2008, January 02, 2009, February 05, 2009, March 28, 2009, April 06, 2009, April 15, 2009, May 18, 2009, July 10, 2009, July 15, 2010, September 03, 2009, October 20, 2009, November 2009, December 7, 2009, February 01, 2010, July 29, 2010, and October 06, 2010.

7. Master Supply Agreement, dated as of December 1, 2009, between TerreStar Corporation and Elektrobit Inc., as amended.

8. Letter Agreement, dated as of May 8, 2008, between TerreStar Networks Inc. and Elektrobit, Inc. re: Software Development License Agreement (for WinMobile OS) between STMicroelectronics NV and Elektrobit Inc.

9. Letter Agreement, dated January 8, 2008, between TerreStar Networks Inc. and Elektrobit, Inc. re: License and Support Agreement between Infineon Technologies AG and Elektrobit Inc.

10. Global Resource Management Project Development Agreement, dated as of June 11, 2008, between RKF Engineering Solutions, LLC and TerreStar Networks Inc.

11. Network Equipment and Services Agreement, dated as of August 22, 2007, between TerreStar Networks Inc. and Nokia Siemens Networks US LLC, as amended on August 3, 2009 and March 15, 2010.

12. Launch Services Agreement, dated as of November 8, 2006, between TerreStar Networks Inc. and Arianespace.

13. Consulting Agreement, made as of April 1, 2006, between TerreStar Networks Inc. and RKF Engineering Solutions, LLC.

14. Purchase Agreement, dated as of March 30, 2007, between Intec Billing, Inc. and TerreStar Networks Inc. as amended on December 10, 2009.

15. Agreement for Business Process Outsourcing Services, dated as of March 31, 2009, between Intec Billing, Inc. and TerreStar Networks Inc.

16. Master Development and Licensing Agreement, dated as of February 7, 2008, between Comneon GmbH and TerreStar Networks Inc.

17. License Agreement, dated as of October 17, 2008, between TerreStar Networks Inc. and Comneon GmbH.

18. Consulting Services Agreement, dated as of September 14, 2007, between Sequoia Communications Corporation and TerreStar Networks Inc.

19. Amended and Restated Contract for Terrestar-1 by and between TerreStar Networks Inc. and Space Systems/Loral, Inc. for the TerreStar Satellite Program, effective December 12, 2007.

20. Amended and Restated Contract for Terrestar-2 by and between TerreStar Networks Inc. and Space Systems/Loral, Inc. for the TerreStar Satellite Program, effective December 12, 2007, as amended or modified.

21. Contract for TerreStar Space-Based Network, dated as of January 25, 2007, between TerreStar Networks Inc. and Space Systems/Loral, Inc.

22. Cooperative Research and Development Agreement Contract No. DISA-07-001, between Defense Information Systems Agency and TerreStar Networks Inc., dated as of October 4, 2006, as amended on October 21, 2007, June 3, 2008 and October 3, 2008 and TerreStar National Services, Inc. (as successor to TerreStar Networks Inc.) as further amended October 1, 2010.

23. Second Amended and Restated Intellectual Property Assignment and License Agreement, dated as of November 21, 2006, between ATC Technologies, LLC and TerreStar Networks Inc.

24. Contract for the Initial Exhibit Set, dated as of March 31, 2009, between Infineon Technologies AG, SkyTerra LP and TerreStar Networks Inc.

25. Contract for the Design and Development of SDR Modem Platforms, dated as of March 31, 2009, between Infineon Technologies AG, SkyTerra LP and TerreStar Networks Inc.

26. Amended and Restated Technology Agreement, dated as of March 16, 2009 and effective as of December 11, 2008, between Qualcomm Inc. and TerreStar Networks Inc.

27. Development Agreement, dated as of March 31, 2009, between Alcatel-Lucent USA Inc., SkyTerra Communications LP and TerreStar Networks Inc.

28. Exclusivity Agreement, dated as of May 6, 2010, between TerreStar Corporation, TerreStar Networks Inc., Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and HGW Holding Company, L.P.

29. Spectrum Manager Lease Agreement, dated as of September 17, 2009, between TerreStar 1.4 Holdings LLC, TerreStar Corporation and One Dot Four Corp, as amended.

30. Agreement, dated as of December 2, 2009, between TerreStar Corporation, TerreStar Networks Inc. and all of their affiliates and subsidiaries and the U.S. Department of Justice and the U.S. Department of Homeland Security.

31. Consulting Agreement, dated as of September 27, 2008, between TerreStar Networks Inc. and Strategic Modeling Solutions, LLC.

32. License Agreement, dated as of December 23, 2008, between TerreStar Networks Inc. and Flextronics Sales & Marketing (A-P) Ltd.

33. Sublicense Agreement, dated as of November 5, 2009, between TerreStar Networks Inc. and NextG-Com Limited.

34. Sublicense Agreement, dated as of May 6, 2009, between TerreStar Networks Inc. and Patni Computer Systems Ltd.

35. Satellite Minutes Agreement, dated as of May 6, 2010, among TerreStar Networks Inc., SkyTerra Communications Inc. and SkyTerra L.P.

36. Inter-Operator Tariff (IOT) Discount Agreement, dated January 27, 2010, between TerreStar Networks Inc. and AT&T Mobility LLC.

37. Roaming Agreement, dated June 25, 2008, between TerreStar Networks Inc. and AT&T Mobility LLC.

38. Mobile Satellite Services and Support Agreement Contract 20090522.024.C, dated September 25, 2009, between TerreStar Networks Inc. and AT&T Mobility II, LLC, as amended on September 10, 2010, and September 15, 2010.

39. Product Purchase Agreement, dated September 29, 2010, between TerreStar Networks Inc. and Atlantic Radiotelephone, Inc.

40. Authorized Reseller Agreement, dated October 4, 2010, between Terrestar Networks Inc. and Barcodes, LLC.

41. Product Purchase Agreement, dated September 30, 2010, between TerreStar Networks Inc. and Bex Voice and Data Services, Inc.

42. Distribution Agreement, dated October 4, 2010, between TerreStar Networks Inc. and Jakeel Consulting, Inc.

43. Business Agreement, dated October 15, 2010, between TerreStar Networks Inc. and Simplexity, LLC.

44. Authorized Reseller Agreement, dated October 13, 2010, between TerreStar Networks Inc. and Unistar Sparco Computers, Inc.

45. Product Purchase Agreement, dated October 15, 2010, between TerreStar Networks Inc. and Amazon Fulfillment Services, Inc.

46. Business Agreement, dated November 5, 2009, between TerreStar Networks Inc. and California Network Management, as amended on October 13, 2010.

47. Vocoder Technology and Software License Agreement, dated April 10, 2008, between TerreStar Networks Inc. and Digital Voice Systems, Inc.

48. Master Purchase Agreement, dated December 24, 2008, between TerreStar Networks Inc. and GENBAND, Inc., as amended.

49. TerreStar Networks Inc. Amended and Restated Stockholders' Agreement, dated May 6, 2006, by and among TerreStar Networks Inc. and the stockholders listed therein.

50. Indenture, dated as of February 14, 2007, among TerreStar Networks Inc., as issuer, the guarantors party thereto and U.S. Bank National Association, as trustee.

51. U.S. Security Agreement, dated as of February 14, 2007, among TerreStar Networks Inc. and the future guarantors party thereto in favor of U.S. Bank National Association, as collateral agent.

52. Funding Agreement, dated February 14, 2007, among TerreStar Corporation (f/k/a Motient Corporation), Motient Ventures Holding Inc. and TerreStar Networks Inc.

53. Amended and Restated Shareholders Agreement, dated as of August 11, 2009, among 4491165 Canada Inc., TerreStar Networks Inc., TerreStar Networks Holdings (Canada) Inc., TerreStar Networks (Canada) Inc. and Trio 2 General Partnership.

54. Amended and Restated Rights and Services Agreement, dated August 11, 2009, between TerreStar Networks Inc. and TerreStar Networks (Canada) Inc.

55. Amended and Restated TerreStar Canada Guarantee, dated August 11, 2009, between TerreStar Networks (Canada) Inc. and TerreStar Networks Inc.

56. First Amended and Restated Wholesale Satellite Capacity Agreement, dated as of October 6, 2010, between TerreStar Solutions Inc. and TerreStar Networks (Canada) Inc.

57. Master Service Agreement, dated June 29, 2009, between Equinix Canada Ltd. and TerreStar Networks (Canada) Inc.

58. Satellite Operations and Services Agreement, dated May 11, 2007 (as amended from time to time), between Telesat Canada and TerreStar Networks (Canada) Inc.

59. Rights And Services Agreement effective August 11, 2009 between TerreStar Solutions Inc. and TerreStar Networks Inc.

60. Intellectual Property Agreement, dated as of January 19, 2007, between Hughes Network Systems, LLC and TerreStar Networks Inc.

61. Amended and Restated Intellectual Property License Agreement, dated as of August 11, 2009, between TerreStar Networks Inc. and TerreStar Networks (Canada) Inc.

62. Amended and Restated Indefeasible Right of Use Agreement, dated August 11, 2009, between TerreStar Networks (Canada) Inc. and TerreStar Networks Inc.

Schedule 5.13

Mortgages

Owner	Address	City	State	Country	Zip Code
0887729 B.C. Ltd.	Village of Dafoe	Dafoe	SK	Canada	S0K 1C0

Schedule 6.01

Indebtedness

1. Indebtedness under the 15% Notes.

2. Indebtedness under the PMCA.

3. Indebtedness under the 6½% Senior Exchangeable PIK Notes due 2014 issued pursuant to the Indenture, dated as of February 7, 2008, among TerreStar Networks Inc., as issuer, the guarantors from time to time party thereto, and U.S. Bank National Association, as trustee.

4. Intercompany Indebtedness of TerreStar Networks Inc. owed to TerreStar Corporation in the amount of $56,875,342.00.

5. Intercompany Indebtedness of TerreStar Networks Inc. owed to TerreStar Networks (Canada) Inc. in the amount of $46,654.12.

6. Intercompany Indebtedness of TerreStar Networks Inc. owed to TerreStar Networks (Canada) Inc. in the amount of $44,930.82.

7. Intercompany Indebtedness of TerreStar Networks Inc. owed to Terrestar Global Ltd. in the amount of $7,500.00.

8. Intercompany Indebtedness of TerreStar National Services, Inc. owed to TerreStar Networks Inc. in the amount of $72,689.17.

9. Intercompany Indebtedness of TerreStar National Services, Inc. owed to TerreStar Networks Inc. in the amount of $732,178.00.

10. Intercompany Indebtedness of TerreStar National Services, Inc. owed to TerreStar Corporation in the amount of $11,022.00.

11. Intercompany Indebtedness of 0887729 B.C. Ltd. owed to TerreStar Corporation in the amount of $945.24.

12. Intercompany Indebtedness of TerreStar Networks (Canada) Inc. to TerreStar Networks Inc. in the amount of 7,817,052.79.

13. Intercompany Indebtedness of TerreStar New York Inc. owed to TerreStar Corporation in the amount of $5,000.00.

14. $10,000,000 Term Note, dated September 21, 2009, issued by TerreStar Networks Inc. to TerreStar Corporation.

Schedule 6.02

Liens

Loan Party	Secured Party	Filing Date	Filing Number	Collateral Description
Motient Ventures Holding, Inc.	Goldberg, Godles Wiener & Wright	9/15/08	2008 3123799	7,656,737 shares of non-voting common stock, par value $.01 per share of SkyTerra Communications, Inc.
Motient Ventures Holding, Inc.	Goldberg, Godles Wiener & Wright	9/17/08	2008 3155437	250,000 shares of non-voting common stock, par value $.01 per share of SkyTerra Communications, Inc.
TerreStar Networks Inc.	IBM Credit LLC	1/2/07	2007 0006337	All of the following equipment together with all related software, whether now owned or hereafter acquired and wherever located (all as more fully described on IBM Credit LLC Supplement(s) #D44477); IBM Equipment Type 8843 8852. All addition, attachments, accessories, accessions and upgrades thereto and any and all substitutions, replacements or exchanges for any such item of equipment or software and any and all proceeds of any of the foregoing, including, without limitation, payments under insurance or any indemnity or warranty relating to loss or damage to such equipment and software.
TerreStar Networks Inc.	U.S. Bank National Association	2/14/07	2007 0600733	All personal property.
TerreStar Networks Inc.	IBM Credit LLC	3/13/07	2007 0940170	All of the following equipment together with all related software, whether now owned or hereafter acquired and wherever located (all as more fully described on IBM Credit LLC Supplement(s) #D45049); IBM Equipment Type 1814 8720 8843 9994. All addition, attachments, accessories, accessions and upgrades thereto and any and all substitutions, replacements or exchanges for any such item of equipment or software and any and all proceeds of any of the foregoing, including, without limitation, payments under insurance or any indemnity or warranty relating to loss or damage to such equipment and software.

Loan Party	Secured Party	Filing Date	Filing Number	Collateral Description
TerreStar Networks Inc.	Forum Financial Services, Inc.	5/9/07	2007 1821379	Equipment Lease Schedule 8058-1: Richardson, Texas Location; Office Furniture including (13) private offices; (1) 48” round table; (43) workstations; (57) task chairs; (28) private office guest chairs; (2) sofas; (4) lounge chairs; (4) occasional tables; (1) coffee table; (1) lg conference table w/ power; (1) visual board; (1) buffet credenza; (16) conference chairs; (6) conference aide chairs; (2) 96” laminate conference tables; (16) conference chairs – 8 per room; (3) 42” round breakroom tables; (12) stack chairs; (25) lateral files
TerreStar Networks Inc.	IBM Credit LLC	7/2/07	2007 2496874	All of the following equipment together with all related software, whether now owned or hereafter acquired and wherever located (all as more fully described on IBM Credit LLC Supplement(s) #D75096); IBM Equipment Type 1723 7979 8740 8853. All addition, attachments, accessories, accessions and upgrades thereto and any and all substitutions, replacements or exchanges for any such item of equipment or software and any and all proceeds of any of the foregoing, including, without limitation, payments under insurance or any indemnity or warranty relating to loss or damage to such equipment and software.

Loan Party	Secured Party	Filing Date	Filing Number	Collateral Description
TerreStar Networks Inc.	Data Sales Co., Inc.	10/16/07	2007 3886941	Lease 33-10055 Schedule 2 Equipment as listed but not limited to: SPA-4XT3/E3, CAB-T3E3-RF-BCN-M, WS-G6700-DFC3CXL, MEM-XCEP720-1GB, 7600-SIP-200, MEM-SIP-200-512M, WS-SVC-FWM-1-K9, WS-SVC-IDS2-BUN-K9, 15454-MRC-2.5G4, ONS-SI-2G-S1, 15454-MRC-I-12, ONS-SI-155-I1, ONS-SI-622-I1, 15454-CE-100T-8, CIS02811-DC, WIC-1DSU-T1-V2, CISCO3845-DC, NM-IT3/E3, 7206VXR/NPE-G1, PA-T3, ACS-2500ASYN, NPE-G1 Lease 39-10055 Schedule 5 Equipment as listed but not limited to: CISCO7609-S, 7609S-SUP720BXL-R, 4000W-DC, WS-X6748-GE-TX, WS-F6700-DFC3CXL, 7600-SIP-200, SPA-4XT3/E3, SW-SVC-FWM-1-K9, WS-SVC-IDS2-BUN-K9, CISCO7609-S, 760S-SUP720BXL-R, MEM-XCEP720-1GB, 7600-SIP-200, WS-C4948, CISCO2811-DC, NM-16ESW, HWIC-16A, WIC-1DSU-T1-V2, ACS-2811RM-23

Loan Party	Secured Party	Filing Date	Filing Number	Collateral Description
TerreStar Networks Inc.	Data Sales Co., Inc.	1/7/08	2008 0067502	Lease 39-10055 Schedule 1 Revised Equipment as listed but not limited to: XR-12000/10, 12410/200, XR-PRP-2R, 12000-SIP-601, SPA-1XOC48POS/RPR, SPA-4XOC12-POS=, SPA-4XOC3-POS-V2, XR-12K-MSB=, WS-X6748-GE-TX, WS-F7600-DFC3CXL, 7600-SIP-400, WS-SVC-IDS2-BUN-K9, CISCO7609-S, WS-C4948, C4948-BKT-KIT, NM-16ESW, WIC-IDSU0-T1V2, CISCO2811-DC, ACS-2811RM-23, CISCO2811, WIC-1A-V2, ROUTER-SDM, WS-C6509-E, WS-SP720-3BXL, NME-XD-48ES-2S-P, 15454 BLANK, Lease 39-10055 Schedule 3 Revised Equipment as listed but limited to: XR-12000/10, XR-PRP-2, 12000-SIP-601, SPA-1XOC48POS/RPR, SPA-8XFE-TX, SPA-4XT3/E3, SPA-4XOC12-POS, CISCO2811-DC, NM-16ESW, ACS-2811-RM-23, WIC-1DSU-T1-V2, 15454-BLANK, Lease 39-10055 Schedule 4 Revised Equipment as listed but not limited to: XR-12000/10, 12410/200, 12000-SIP-601, WS-X6748-GE-TX, CISCO7609-S, WS-C4948, CISCO2811-DC, NM-16ESW, ACS-2811RM-23, 15454 BLANK Lease 39-10055 Schedule 6 Equipment as listed but not limited to: HWIC-16A, CISCO2851-DC
TerreStar Networks Inc.	U.S. Bank National Association	2/5/08	2008 0438349	The Satellite, Raw Materials, Work-in-Process, Finished Goods and other related collateral as defined in the Security Agreement, dated as of February 5, 2008, between TerreStar Networks Inc. and U.S. Bank National Association in connection with the PMCA. Insurance, file records, proceeds (etc.) relating to TerreStar Construction Agreement. Additional information regarding exclusions.
TerreStar Networks Inc.	Data Sales Co., Inc.	3/7/08	2008 0816627	Lease 39-10055 Schedule 7 WS-X6748-GE-TX S/N SAL1201BUM7, SAD114208WE, WS-F6700-DFC3CXL S/N SAD 1149047N, SAD11490614, WS-C6509-E S/N SMG1202NOUQ, SMG115NLA1, SMG1202N0TF, SMG1151NLA0, SMG1202NOT2, SMG1202NOQF

Loan Party	Secured Party	Filing Date	Filing Number	Collateral Description
TerreStar Networks Inc.	Data Sales Co., Inc.	5/6/08	2008 1561529	Lease 39-10055 Schedule 8 Equipment as listed but not limited to: CISCO2851-DC S/N FTX1204A0NV, FTX1204A0NX, FTX1204A0NZ, FTX1204A0P1, SC6K-3.0A14-ACE, SFT=GE-T, SPA-4XT3/E3 S/N JAE12034Y2Z, SPA-5X1GE S/N JAE12010UR0, WIC-1DSU-T1 S/N FOC11520UAW, FOC11520UDY, FOC1152OU0W, FOC1152OWTW, FOC11520W6C, FOC1152Z1LN, WS-C2960G-48TC-L S/N FOC1152Z1MT, XR-12000/4 S/N TBM11451690, TM11462070, TMB11462086
TerreStar License Inc.	U.S. Bank National Association	12/31/08	2008 4321780	All personal property
TerreStar National Services, Inc.	U.S. Bank National Association	12/31/08	2008 4321848	All personal property

Loan Party	Secured Party	Personal Property Registry System	Collateral Classification	General Collateral Description	Registration File No./ Registration No.
TerreStar Networks Holdings (Canada) Inc.	U.S. Bank National Association	Ontario Personal Property Security Act	Inventory, Equipment, Accounts, Other, and Motor Vehicle Included	N/A	632703645 - 20070208 1608 1590 9648 (10 years)
TerreStar Networks (Canada) Inc.	U.S. Bank National Association	Ontario Personal Property Security Act	Inventory, Equipment, Accounts, Other, and Motor Vehicle Included	N/A	632703654 - 20070208 1608 1590 9649 (10 years)
TerreStar Networks (Canada) Inc.	TerreStar Networks Inc.	Ontario Personal Property Security Act	Inventory, Equipment, Accounts, Other, and Motor Vehicle Included	N.A	634328136 - 20070413 1501 1862 3906 (25 years)

TerreStar Networks (Canada) Inc.	TerreStar Networks Inc.	Quebec Register of Personal and Moveable Real Rights	The universality of all of its movable property of every nature and description, corporeal and incorporeal, present and future, and wherever situate.	As described in the Hypotheque.	10-0716822-0001

Schedule 6.03

Investments

1. 33.3% equity ownership by TerreStar Networks Inc. in TerreStar Networks Holdings (Canada) Inc.

2. 20% equity ownership by TerreStar Networks Inc. in TerreStar Networks (Canada) Inc.

3. 46.7% equity ownership by TerreStar Networks Inc. in TerreStar Solutions, Inc.

4. Intercompany Indebtedness of TerreStar Corporation owed to TerreStar Networks Inc. in the amount of $267,717.00.

5. Intercompany Indebtedness of TerreStar Networks Inc. owed to TerreStar Networks (Canada) Inc. in the amount of $46,654.12.

6. Intercompany Indebtedness of TerreStar Networks Inc. owed to TerreStar Networks (Canada) Inc. in the amount of $44,930.82.

7. Intercompany Indebtedness of TerreStar National Services, Inc. owed to TerreStar Networks Inc. in the amount of $72,689.17.

8. Intercompany Indebtedness of TerreStar National Services, Inc. owed to TerreStar Networks Inc. in the amount of $732,178.00.

9. Intercompany Indebtedness of TerreStar Networks (Canada) Inc. to TerreStar Networks Inc. in the amount of 7,817,052.79.

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

This First Amendment, dated as of November 12, 2010 (this "Amendment"), to the Debtor-in-Possession Credit, Security & Guaranty Agreement, dated as of October 21, 2010, by and among**:**

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

(ii) Motient Holdings Inc., a Delaware corporation, Motient Communications Inc., a Delaware corporation, Motient License Inc., a Delaware corporation, Motient Services Inc., a Delaware corporation, TerreStar New York Inc., a New York corporation, MVH Holdings Inc., a Delaware corporation, and Motient Ventures Holding Inc., a Delaware corporation (collectively the "Non-Subsidiary Guarantors"); TerreStar National Services, Inc., a Delaware corporation, and TerreStar License Inc., a Delaware corporation (together the "Domestic Subsidiary Guarantors");

(iii) TerreStar Networks Holdings (Canada) Inc., an Ontario corporation, TerreStar Networks (Canada) Inc., an Ontario corporation ("TerreStar Canada"), and 0887729 B.C. LTD., a British Columbia corporation (collectively the "Canadian Guarantors" and together with the Non-Subsidiary Guarantors, the Domestic Subsidiary Guarantors and such other guarantors from time to time party thereto, the "Guarantors" and together with the Borrower, the "Loan Parties");

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

(v) The Bank of New York Mellon, as administrative agent and collateral agent (in such capacities, the "Administrative Agent") (the "Credit Agreement");

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

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

WHEREAS, the Loan Parties have requested that the Lenders consent to certain modification of the Credit Agreement and the other Loan Documents to change the definitions of Milestone Requirement and Plan Support Agreement, to limit investments in and transactions with the Motient Loan Parties and, under the circumstances set forth herein, to release the Motient Loan Parties as Loan Parties under the Credit Agreement and other Loan Documents ;

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

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

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

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

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

2. Amendments to Credit Agreement. Effective as of the Amendment Effective Date (as defined below), the Credit Agreement is hereby amended as follows; provided, however, that the amendments to the Credit Agreement set forth in Sections 2(a), (e), (f) and (x) below shall be deemed to have been effective as of November 5, 2010:

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

> ""Acceptable Plan" shall mean a Plan in form and substance reasonably acceptable to the Required Lenders; provided, however, that a Plan, which is consistent in all respects with, and includes all the terms of, the Plan filed with the Bankruptcy Court on November 5, 2010, as such Plan has been, or may be amended pursuant to Article XI thereof, shall be deemed acceptable to the Required Lenders."

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

> ""Agreed Budget" shall mean Exhibit A to the Agreed Budget Letter Agreement, dated November 12, 2010, by and between the Borrower and Lender party thereto, subject to modification pursuant to Section 5.11(a)."

(c) The definition of Milestone Requirement in Section 1.01 is amended in its entirety to read as follows:

> ""Milestone Requirement" shall mean the requirement that the Loan Parties, other than the Non-Subsidiary Guarantors, shall meet the following deadlines; provided however, that in the case of clauses (b), (f) and (g) below, the deadlines shall be met by all Loan Parties (which, for the avoidance of doubt, exclude the Non-Subsidiary Guarantors from and after the Repayment Date): (a) filing an Acceptable Plan by November 5, 2010, (b) filing, jointly with any person required by the FCC or Industry Canada, (i) all necessary applications for approval of the transfers of control over all the FCC Licenses, and the transfer of control over, transfer or assignment of all the Industry Canada Licenses within the terms and conditions thereof, and related authorizations held by any Loan Party that are contemplated by any Acceptable Plan and (ii) all required notifications to the FCC and Industry Canada, in each case by December 14, 2010, (c) receiving Bankruptcy Court approval of a disclosure statement by December 14, 2010, (d) commencement of a hearing by the Bankruptcy Court on confirmation of an

Acceptable Plan by January 31, 2011, (e) entry of a final, non-appealable order by the Bankruptcy Court confirming such Acceptable Plan by February 14, 2011, (f) within 7 days after request of the Administrative Agent (acting at the written request of the Required Lenders), with respect to any order of the Bankruptcy Court, a corresponding recognition order, in form and substance reasonably acceptable to the Required Lenders shall have been entered in the Canadian Court, which order shall have become final and non-appealable within twenty-one (21) days after entry of such order by the Canadian Court, and (g) the Final DIP Order and Final Recognition Order shall have become final and non-appealable within 60 and 63 days of the date of the entry of the Interim DIP Order and Initial Recognition Order, respectively."

(d) The definitions of Loan Parties and Guarantors from and after the Repayment Date shall exclude the Non-Subsidiary Guarantors, and, from and after such date, the Non-Subsidiary Guarantors shall cease to be Guarantors and shall cease to be Loan Parties, and any security interests granted in any of the Loan Documents in any of the Collateral of the Non-Subsidiary Guarantors shall be released and terminated.

(e) The definition of Plan Support Agreement in Section 1.01 is hereby deleted.

(f) The definition of Restructuring Term Sheet in Section 1.01 is hereby deleted.

(g) The definition of Subsequent Funding Date in Section 1.01 is amended in its entirety to read as follows:

""Subsequent Funding Date" shall mean first, on the later of (a) December 5, 2010 and (b) the earliest date that is (i) at least fifteen (15) days after the date of entry of the Final DIP Order and (ii) the date on which no stay pending appeal has been granted with respect to the Final DIP Order; second, on the later of (a) January 7, 2011 and (b) the earliest date that is (i) at least twenty-one (21) days after entry of the Final Recognition Order and (ii) the date on which no stay pending appeal has been granted with respect to the Final Recognition Order (the "Third Advance"); and (c) on the fifth Business Day of each month beginning on the month immediately following the month in which the Third Advance is made."

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

""Avoidance Actions" shall have the meaning assigned to such term in Section 10.01(a)(xvii)."

""15% Notes Trustee" shall mean U.S. Bank National Association, as trustee under the 15% Notes."

""PMCA Agent" shall mean U.S. Bank National Association, as

collateral agent under the PMCA."

""Prepetition Secured Notice Parties" shall mean the PMCA Agent, each lender under the PMCA and the 15% Notes Trustee."

(i) Section 1.01 is amended by inserting the following definition in proper alphabetical order:

""Repayment Date" shall mean the date when all advances made by the Borrower, any Domestic Subsidiary Guarantor or any Canadian Guarantor after the Petition Date to any Non-Subsidiary Guarantor and TerreStar Global Ltd. (and all investments made by any such Person after the Petition Date in any Non-Subsidiary Guarantor and TerreStar Global Ltd.) have been repaid in full in cash."

(j) The definition of Monthly Performance Report in Section 1.01 is deleted and the following definition is inserted in proper alphabetical order:

""Monthly Budget Report" shall mean a report in the same form as the Agreed Budget and accompanying projections which shall contain entries detailing the actual performance during the period for which such report is being delivered, the variance from the Agreed Budget and accompanying projections for such period, if any, and an explanation of the reason for any such variance, which report shall include each of the following pages: Executive Summary; Monthly DIP Budget; 13 Week Forecast; Opex Detail; Capex Detail; Revenue; Canada; and Balance Sheet."

(k) Section 2.01 is amended by inserting the following sentence at the end of such section: "Notwithstanding any provision of this Agreement to the contrary, the first Subsequent Funding Date is December 15, 2010 and the Loan made thereon shall be in an amount not in excess of $6,000,000."

(l) Section 3.24(c) is amended in its entirety to read as follows:

"(c) After the entry of the DIP Order and to the extent provided therein, the Obligations will constitute allowed super-priority administrative expense claims in the Cases having priority under Section 364(c)(i) of the Bankruptcy Code over all administrative expense claims and unsecured claims against the Loan Parties now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expense claims of the kind specified in Sections 105, 326, 328, 330, 331, 363, 364, 503, 506, 507, 546, 1113 and 1114 or any other provision of the Bankruptcy Code or otherwise, as provided under Section 364(c)(1) of the Bankruptcy Code, subject, as to priority only, to the Carve-Out to the extent set forth in the DIP Order."

(m) The introductory sentence of Section 5.04 is amended in its entirety to read as follows:

"Section 5.04. Financial Statements, Reports, etc. Furnish to the Administrative Agent, the Statutory Committee of Unsecured Creditors and the Lenders the

following:"

(n) Section 5.04(b) is amended in its entirety to read as follows:

"(b) within (3) Business Days after the end of each calendar month, beginning with the month ended November 30, 2010 (for which month the Monthly Budget Report shall include information from the Petition Date through and including November 30, 2010), the Monthly Budget Report for the preceding month;"

(o) Section 5.04(d) is amended by (1) deleting the phrase "and figures contained in the projections in the Agreed Budget" in clause (i) thereof and (2) replacing "since the Petition Date" with "since November 1, 2010."

(p) Section 5.04(e) is amended by deleting the phrase "and figures contained in the projections in the Agreed Budget" thereof.

(q) The introductory sentence of Section 5.05 is amended in its entirety to read as follows:

"Section 5.05 Litigation and Other Notices. Furnish to the Administrative Agent and the Statutory Committee of Unsecured Creditors written notice of the following promptly after any Responsible Officer of any Loan Party obtains actual knowledge thereof (unless a specific time frame for providing such written notice is stated, in which case such written notice must be provided within the time frame specified):"

(r) Section 6.03 and Section 6.07 are each amended by inserting the following sentence at the end of each such section: "Notwithstanding any provision in this Section to the contrary, from and after November 4, 2010, neither the Borrower, any Domestic Subsidiary Guarantor nor any Canadian Guarantor may make any Investment in or engage in any transaction with any Non-Subsidiary Guarantor or TerreStar Global Ltd. (including after the Repayment Date)."

(s) Section 6.11 is amended in its entirety to read as follows:

"Section 6.11 Minimum Revenues. Permit the aggregate revenues of the Loan Parties of the type set forth in the line item "Roam-in Revenue" in the Agreed Budget on (a) December 31, 2010 or January 31, 2011, to be less than 85% of the amount set forth in the line item "Roam-in Revenue" for such month in the Agreed Budget and accompanying projections or (b) the last day of each month thereafter, to be less than 90% of the amount set forth in the line item "Roam-in Revenue" for such month in the Agreed Budget and accompanying projections."

(t) Section 6.12 is amended in its entirety to read as follows:

"Section 6.12 Minimum Subscribers. Permit the number of subscribers on (a) December 31, 2010 or January 31, 2011, to be less than 85% of the number of subscribers on such date set forth in the line item "Subscribers" in the Agreed Budget and accompanying projections, or (b) the last day of each month thereafter, to be less than 90% of the

number of subscribers on such date set forth in the line item "Subscribers" in the Agreed Budget and accompanying projections."

(u) Section 7.01(e) is amended in its entirety to read as follows:

"(e) the entry of an order in any of the Cases appointing a trustee or examiner with expanded powers to operate or manage the financial affairs of the Borrower or any of the Loan Parties;"

(v) Section 7.01(l) is amended in its entirety to read as follows:

"(l) the Loan Parties engaging in or supporting, or using any portion of the Loans, the Collateral, including cash collateral, to support any challenge to the validity, perfection, priority, extent or enforceability of the Loans or the Prepetition Obligations or the liens on or security interests in the assets of the Loan Parties securing the Loans or the Prepetition Obligations, including without limitation seeking to equitably subordinate or avoid the liens securing the Prepetition Obligations, or (b) the Loan Parties engaging in or supporting any investigation or their assertion of any claims or causes of action (or supporting the assertion of the same) against (x) any Lender, (y) the Lenders (as defined in the PMCA) and the Collateral Agent (as defined in the PMCA) or (z) the Noteholders or Holders (as defined in the 15% Notes) and the Trustee (as defined in the 15% Notes); provided that, making information available or otherwise responding to a Statutory Committee of Unsecured Creditors shall not be a violation of this provision; provided that the Loan Parties shall seek Bankruptcy Court approval to limit to $250,000 the amount that any Statutory Committee of Unsecured Creditors may expend in fees and expenses in investigating the foregoing solely with respect to Prepetition Obligations (as opposed to filing a claim or challenge under subparts (a) or (b) above) (it being understood and agreed that any derivative action brought by any Statutory Committee of Unsecured Creditors appointed in the Cases shall not be a breach of such covenant);"

(w) Section 7.01(cc) is amended in its entirety to read as follows:

"(cc) [Intentionally Omitted];"

(x) The last paragraph of Section 7.01 is amended in its entirety to read as follows:

"Notwithstanding the foregoing, any Default or Event of Default which results solely from a failure of any Lender to comply with Section 9.20 hereof shall be deemed not to have occurred so long as such action or inaction continues."

(y) Section 7.02(a) is amended in its entirety to read as follows:

"(a) upon ten (10) Business Days' written notice to the Borrower, the Statutory Committee of Unsecured Creditors, the United States Trustee, the Foreign Information Officer and the Prepetition Secured Notice Parties, the automatic stay under section 362 of the Bankruptcy Code, and any similar or corresponding stay imposed by the Canadian Court, shall be deemed lifted without further order of or application to the Bankruptcy Court or the Canadian Court, to permit the Lenders to (i) reduce or terminate outstanding Commitments,

(ii) terminate the Loans, (iii) charge the default interest on the Loans, (iv) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding, and (v) subject to the Carve-Out and applicable laws relating to regulatory approvals, exercise any and all remedies under this Agreement, including without limitation to permit the Lenders to realize on all Collateral and exercise remedies under applicable law (including the UCC and the PPSA); and"

(z) Section 9.01(a) is amended in its entirety to read as follows:

"(a) Notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to any Loan Party, to TerreStar Networks Inc., 12010 Sunset Hills Road, 6th Floor, Reston, VA 20190, with a copy to Akin, Gump, Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036, Attention of Ira Dizengoff and Arik Preis (Facsimile (212) 872-1002);

(ii) if to the Administrative Agent, to The Bank of New York Mellon, 600 E. Las Colinas Blvd., Suite 1300, Irving, Texas 75039, Attention: Melinda K. Valentine, with a copy to Emmet, Marvin & Martin, LLP, 120 Broadway, New York, New York 10271, Attention of Elizabeth M. Clark, Esq.; and

(iii) if to the Statutory Committee of Unsecured Creditors , to Otterbourg, Steindler, Houston & Rosen, P.C., 230 Park Avenue, New York, NY 10169-0075, Attention of Scott Hazan and David Posner (Facsimile (917) 368-7147)."

(aa) Section 9.04(b)(iii) is amended by inserting the following phrase immediately before the first parenthetical thereof:

"(except for with respect to Section 9.20 hereof)"

(bb) Section 9.17 is amended by inserting the following sentence at the end of such section: "From and after the Repayment Date the Non-Subsidiary Guarantors shall cease to be Loan Parties under this Agreement and each other Loan Document and shall be released from all obligations (including the guarantee and security interests provided by such Persons under Article X) under this Agreement and all other Loan Documents."

(cc) Section 10.01(a)(xvii) is amended in its entirety to read as follows:

"(xvii) all other personal property of such Obligor, excluding Obligor's claims and causes of action arising under sections 542-553 of the Bankruptcy Code ("Avoidance Actions"), but including, subject to entry of a Final DIP Order, any proceeds and/or recoveries from such Avoidance Actions;"

(dd) Article IX is amended by adding a new Section 9.20 at the end thereof as follows:

"Section 9.20 Vote, Cooperation. Each Lender agrees, severally and not jointly, (1) subject to its receipt of a disclosure statement and other solicitation materials in respect of an Acceptable Plan that is approved by the Bankruptcy Court, to vote its claims to accept such Plan and (2) to reasonably cooperate with the Loan Parties in respect of the pursuit and support of the transactions set forth in an Acceptable Plan on or before the applicable Milestone Dates. Nothing in this Section 9.20 shall require any Lender to consent to any modification, waiver or amendment of this Agreement or any other Loan Document."

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

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

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

4. Conditions to Effectiveness. This Amendment shall become effective as of the first date (the "Amendment Effective Date") on which the Lender shall have received duly executed counterparts hereof that, when taken together, bear the authorized signatures of the Loan Parties.

5. Miscellaneous.

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

Agreement or any other Loan Document, and the Lenders expressly reserve all of their rights and remedies under the Credit Agreement and the other Loan Documents, under applicable law or otherwise.

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

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

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

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

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

(g) Governing Law. **THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK AND, AS APPLICABLE, THE BANKRUPTCY CODE.**

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

ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 5(g).

[Remainder of page intentionally left blank.]

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

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

By: _____
Name: Douglas Brandon
Title: Secretary

MOTIENT HOLDINGS INC.
MOTIENT COMMUNICATIONS INC.
MOTIENT LICENSE INC.
MOTIENT SERVICES INC.
TERRESTAR NEW YORK INC.
MVH HOLDINGS INC.
MOTIENT VENTURES HOLDING INC.
TERRESTAR NATIONAL SERVICES, INC.
TERRESTAR LICENSE INC.,
each a debtor and debtor-in-possession, as Guarantors

By: _____
Name: Douglas A Brandon
Title: Secretary

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

By: _____
Name: Douglas A Brandon
Title: Secretary

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

By: Jacques Leduc
Name:
Title: CFO & TREASURER

ECHOSTAR CORPORATION,
as Lender

By: _____
Name: DAVID RAYNER
Title: CFO

EXHIBIT G

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
BUFFETS RESTAURANTS HOLDINGS, INC. *et al.*,[1]	)	Case No. 12-10237 (MFW)
	)	(Jointly Administered)
Debtors.	)	
	)	RE: 18, 45
	)	

FINAL ORDER (I) AUTHORIZING DEBTORS (A) TO OBTAIN SECURED POSTPETITION FINANCING PURSUANT TO 11 U.S.C.§§ 105, 361, 362, 363(b), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) AND 364(e) AND (B) TO UTILIZE CASH COLLATERAL UNDER 11 U.S.C. § 363, (II) GRANTING ADEQUATE PROTECTION TO CERTAIN PREPETITION SECURED PARTIES UNDER 11 U.S.C. §§ 361, 362, 363 AND 364, AND (III) GRANTING RELATED RELIEF

Upon the motion (the "**Motion**"), dated January 18, 2012, of Buffets Restaurants Holdings, Inc. and its affiliated debtors, each as a debtor and debtor-in-possession (collectively, the "**Debtors**"), in the above-captioned cases (the "**Bankruptcy Cases**") under sections 105, 361, 362, 363(b), 363(c)(2), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e) of title 11 of the United States Code, 11 U.S.C. §§ 101, et seq. (as amended, the "**Bankruptcy Code**"), Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") and the corresponding Local Rules for the United States Bankruptcy Court for the District of Delaware (the "**Local Rules**") seeking, among other things:

(1) authorization for Buffets, Inc. (the "**Borrower**") to obtain secured postpetition financing (the "**Financing**"), and for each of the other Debtors to

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are Buffets Restaurants Holdings, Inc. (9569), Buffets Holdings, Inc. (4018), Buffets, Inc. (2294), HomeTown Buffet, Inc. (3002), OCB Purchasing Co. (7610), OCB Restaurant Company, LLC (7607), Buffets Franchise Holdings, LLC (8749), Buffets Leasing Company, LLC (8138), Ryan's Restaurant Group, Inc., (7895), Ryan's Restaurant Leasing Company, LLC (7405), HomeTown Leasing Company, LLC (8142), OCB Leasing Company, LLC (8147), Fire Mountain Restaurants, LLC (8003), Fire Mountain Leasing Company, LLC (7452), Tahoe Joe's, Inc. (7129), Tahoe Joe's Leasing Company, LLC (8145). The address for all of the Debtors is 1020 Discovery Road, Suite 100, Eagan, MN 55121.

guaranty the Borrower's obligations in connection with the Financing, consisting of:

a. an up to $20 million synthetic letter of credit facility for new letters of credit (the "**DIP LC's**") issued for the account of the Borrower and/or any Guarantor (as defined herein); and

b. a secured superpriority new money term loan facility in an aggregate principal amount not to exceed $30 million (as such amount may be increased pursuant to the DIP Credit Agreement, as defined below) (the "**Term Loans**" and together with the DIP LC's, the "**DIP Facility**").

(2) authorization for the Debtors to execute the Secured Super-Priority Debtor-in-Possession Credit Agreement, dated as of January 18, 2012, substantially in the form attached as Exhibit A to the Motion (including all amendments thereto, the "**DIP Credit Agreement**" and collectively with any other related agreement, instrument or other document delivered or executed in connection with the DIP Credit Agreement, including the initial Approved DIP Budget (as defined in the DIP Credit Agreement and attached as Exhibit A thereto) and the Loan Documents (as defined in the DIP Credit Agreement), the "**DIP Documents**"), by and among the Borrower, Buffets Restaurants Holdings, Inc. ("**Parent**") and Buffets Holdings, Inc. ("**Holdings**") and the subsidiaries listed on Schedule 1.01 to the DIP Credit Agreement (who collectively comprise all of the subsidiaries of the Borrower, the "**Subsidiary Guarantors**" and collectively with Parent and Holdings, the "**Guarantors**"), Credit Suisse AG, Cayman Islands Branch ("**Credit Suisse**"), as administrative agent (together with its successors in such capacity, the "**DIP Administrative Agent**"), credit-linked deposit account agent (together with its successors in such capacity, the "**DIP**

Deposit Agent") and collateral agent (together with its successors in such capacity, the "**DIP Collateral Agent**" and collectively with the DIP Administrative Agent and the DIP Deposit Agent, in such capacities, the "**DIP Agents**"), the Issuing Bank (as defined in the DIP Credit Agreement, together with its successors in such capacity, the "**DIP Issuing Bank**") and the lenders from time to time party thereto (collectively, the "**DIP Lenders**");

(3) authorization for the Debtors to execute and enter into the related DIP Documents and to perform such other and further acts as may be required in connection with the DIP Documents;

(4) the granting of adequate protection to the Prepetition First Lien Agent (as defined herein), for the benefit of itself and the Prepetition First Lien Lenders (as defined herein), whose liens are being primed by the Financing;

(5) authorization for the Debtors to use the Prepetition First Lien Lenders' "cash collateral" (as such term is defined in section 363(a) of the Bankruptcy Code) in which the Prepetition First Lien Lenders have an interest, and the granting of adequate protection to the Prepetition First Lien Lenders to the extent that such use of their cash collateral or other Prepetition Collateral (as defined herein), the priming of their liens and/or the imposition of the automatic stay results in a diminution in the value of the Prepetition Collateral (as defined herein);

(6) subject to paragraph 21 of this Final Order (as defined below), approval of certain stipulations by the Debtors with respect to the amount,

priority, validity, enforceability and perfection of the claims arising under, and the liens granted pursuant to, the Prepetition Agreements (as defined herein);

(7) subject only to and effective upon entry of this Final Order (as defined herein), the Debtors' waiver of any right to surcharge against collateral, including the Collateral and the Prepetition Collateral, under section 506(c) and section 552(b) of the Bankruptcy Code;

(8) pursuant to Bankruptcy Rule 4001, that an interim hearing (the "**Interim Hearing**") be held on the Motion to consider the entry of an Interim Order (the "**Interim Order**"), among other things, (a) authorizing the Borrower, on an interim basis, to borrow loans and obtain letters of credit under the DIP Documents up to an aggregate principal amount not to exceed $30 million in Term Loans and in face amount of DIP LC's (subject to any limitations on borrowings under the DIP Credit Agreement), (b) authorizing the Debtors' use of cash collateral and (c) granting the adequate protection described in the Interim Order;

(9) that this Court schedule a final hearing (the "**Final Hearing**") to be held within 30 days after entry of the Interim Order to consider entry of this order (the "**Final Order**") authorizing the balance of the borrowings and letter of credit issuances under the DIP Documents on a final basis; and

(10) modification of the automatic stay imposed under section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of the DIP Documents and the Interim and Final Orders.

And the Court having held the Interim Hearing on January 19, 2012 and having entered the Interim Order [Docket No. 45] on such date after duly considering the Motion and the arguments and evidence presented at the Interim Hearing, and the Interim Order having scheduled the Final Hearing on the Motion for February 14, 2012 at 4:00 p.m.; and the Debtors having filed with the Court, on February 14, 2012, the Letter Consent, Waiver and Amendment to the DIP Credit Agreement, dated February 10, 2012 (the "**Amendment**").

The Court having found that, under the circumstances, due and sufficient notice of the Motion and the Final Hearing (and together with the Interim Hearing, the "**Hearings**") was provided by the Debtors as set forth in paragraph 3 below, in accordance with the Bankruptcy Rules, the Local Rules and the Interim Order, and the Court having held the Final Hearing on February 14, 2012; and the Court having considered all the pleadings filed with this Court, including any objections to the Motion; and as further stated on the record at the Hearings; and upon the record made by the Debtors at the Hearings; upon the entire record of the Bankruptcy Cases; and after due deliberation and consideration and sufficient cause appearing therefor;

IT IS FOUND, DETERMINED, ORDERED AND ADJUDGED, that:

1. *Disposition.* The Motion is granted on a final basis in accordance with the terms set forth herein and the Amendment is hereby approved. Any objections to the relief sought in the Motion, and any reservations of rights with respect to such relief, that have not been previously resolved or withdrawn are overruled on the merits. This Final Order shall be valid, binding and enforceable on all parties in interest and fully effective immediately upon entry.

2. *Commencement of the Bankruptcy Cases, Jurisdiction and Venue.* On January 18, 2012 (the "**Petition Date**"), each Debtor filed a petition with this Court commencing a case under chapter 11 of the Bankruptcy Code. The Debtors are continuing to operate their respective

businesses and manage their respective properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. This Court has jurisdiction over the Bankruptcy Cases and the Motion as a core proceeding, and over the parties and property affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. No request has been made for the appointment of a trustee or examiner in any of the Bankruptcy Cases.

3. *Notice*. Notice of the Final Hearing and the proposed entry of the Final Order has been provided to: (i) the forty (40) largest unsecured creditors of the Debtors; (ii) the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee"); (iii) counsel to the official committee of unsecured creditors appointed in these Bankruptcy Cases (the "**Committee**"); (iv) counsel to the DIP Agents; (v) counsel to the Prepetition Agents (as defined herein); (vi) counsel to the ad hoc committee of Prepetition First Lien Lenders (the "**Ad Hoc Committee**"); (vii) all known parties asserting a lien against the Collateral (as defined herein) (as reflected on Schedule 6.02 of the DIP Credit Agreement); (viii) each of the financial institutions listed in the Debtors' Motion For Order (i) Approving Continued Use of Cash Management System; (ii) Authorizing the Continuation of Intercompany Transactions; (iii) Granting Administrative Priority Status to Postpetition Intercompany Claims; (iv) Authorizing Use of Prepetition Bank Accounts and Business Forms; and (v) Waiving the Requirements of 11 U.S.C. § 345(b) on an Interim Basis; and (ix) any other party that has filed a request for notice pursuant to Bankruptcy Rule 2002 or is required to receive notice under the Bankruptcy Rules. Under the circumstances, the notice given by the Debtors of the Final Hearing and the proposed entry of the Final Order constitutes appropriate, due and sufficient notice thereof and complies with sections 102(1), 363 and 364 of the Bankruptcy Code, Bankruptcy Rules 4001(b) and (c)

and the Local Rules of this Court, and no other notice need be provided for entry of this Final Order.

4. *Debtors' Stipulations*. Without prejudice to the rights of any other party (but subject to the limitations thereon contained in paragraph 21), the Debtors admit, acknowledge, stipulate and agree that:

(a) *Prepetition First Lien Debt*

(i) Pursuant to that certain Amended and Restated Credit Agreement (First Lien), dated as of April 22, 2010 (as heretofore and hereinafter amended, supplemented or otherwise modified, the "**Prepetition First Lien Credit Agreement**" and collectively with the security, pledge and guaranty agreements, mortgages and all other ancillary documentation executed in connection with the foregoing, including without limitation, the Intercreditor Agreement (as defined below), each as amended, supplemented and otherwise modified, the "**Prepetition First Lien Agreements**"), among the Borrower, Parent and Holdings, the lenders party thereto from time to time (collectively, the "**Prepetition First Lien Lenders**"), Credit Suisse as administrative agent, credit-linked deposit account agent and collateral agent for the Prepetition First Lien Lenders (together with its successors in such capacity, the "**Prepetition First Lien Agent**"), Credit Suisse as issuing bank (together with its successors in such capacity, the "**Prepetition First Lien Issuing Bank**"), and Credit Suisse Securities (USA) LLC as sole bookrunner and sole lead arranger (with its successors in such capacity, the "**Prepetition First Lien Lead Arranger**"), the Prepetition First Lien Lenders provided term loans and a synthetic letter of credit facility in an aggregate principal amount of $287,233,733.05 to or for the benefit of the Borrower. As of the Petition Date, the Borrower and each of the other Debtors as obligors under the Prepetition First Lien Agreements were liable to the Prepetition First Lien Lenders,

without defense, counterclaim or offset of any kind, in the aggregate principal amount of not less than (A) $244,506,977.24 in respect of term loans made by the Prepetition First Lien Lenders and (B) (i) $34,836,136.00 aggregate face amount of letters of credit issued and supported by funds deposited by the Prepetition First Lien Lenders under the synthetic letter of credit facility, (ii) $19,315.43 aggregate amount of funds deposited by the Prepetition First Lien Lenders under the synthetic letter of credit facility against which letters of credit have not been issued and (iii) $7,871,304.38 aggregate amount of loans, each pursuant to, and in accordance with the terms of, the Prepetition First Lien Agreements, plus, in each case, accrued and unpaid interest thereon and fees (including (w) $6,995,381.08 in interest in respect of the term loans and (x) $53,828.54 in interest and $181,296.76 in fees in respect of the synthetic letter of credit facility), expenses (including any attorneys', accountants', appraisers' and financial advisors' fees that are chargeable or reimbursable under the Prepetition First Lien Agreements), indemnification obligations and other charges, amounts and costs of whatever nature incurred in connection therewith as provided in the Prepetition First Lien Agreements (collectively, the "**Prepetition First Lien Debt**");

(ii) To secure the Prepetition First Lien Debt, the Debtors granted to the Prepetition First Lien Lenders and the other Secured Parties (as defined in the Prepetition First Lien Credit Agreement, the "**Prepetition First Lien Secured Parties**") a first priority security interest in and lien upon substantially all of the assets of the Debtors (the "**Prepetition First Liens**"), including without limitation, all "Collateral" under and as defined in the Prepetition First Lien Agreements (collectively, the "**Prepetition Collateral**");

(iii) (A) the Prepetition First Lien Debt constitutes a legal, valid, enforceable and binding obligation of each of the Debtors under the Prepetition First Lien

Agreements, enforceable in accordance with their terms (other than in respect of the stay of enforcement arising from section 362 of the Bankruptcy Code); (B) no offsets, defenses or counterclaims to the Prepetition First Lien Debt exist; (C) no portion of the Prepetition First Lien Debt is subject to avoidance, recharacterization, recovery, disallowance, reduction or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law; (D) each of the Prepetition First Lien Agreements is valid and enforceable by the Prepetition First Lien Lenders, the Prepetition First Lien Agent and the Prepetition First Lien Issuing Bank against each of the Debtors; (E) the Prepetition First Liens were perfected as of the Petition Date and constitute legal, valid, binding, enforceable and perfected liens in and to the Prepetition Collateral and are not subject to avoidance, reduction, disallowance, disgorgement, counterclaim, surcharge or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law, and such liens had priority over any and all other liens on the Prepetition Collateral, subject only to the Third Party Liens (as defined herein); and (F) the Debtors and their estates do not have, hereby forever release, and are forever barred from bringing, any claim, objection, challenge or cause of action against the Prepetition First Lien Agent, the Prepetition First Lien Lead Arranger, the Prepetition First Lien Issuing Bank, and the Prepetition First Lien Lenders or any of their respective affiliates, parents, subsidiaries, partners, controlling persons, agents, attorneys, advisors, professionals, officers, directors and employees, each in their capacities as such, whether arising under applicable state or federal law (including, without limitation, any recharacterization, subordination, avoidance or other claims arising under or pursuant to sections 105, 510 or 542 through 553 of the Bankruptcy Code or otherwise), arising under or in connection with the Prepetition First Lien Agreements (or the transactions contemplated

thereunder), the Prepetition First Lien Debt or the Prepetition First Liens, including without limitation, any right to assert any disgorgement or recovery.

(b) *Prepetition Second Lien Debt*

(i) Pursuant to the Credit Agreement (Second Lien), dated as of April 28, 2009 (as amended by that certain First Amendment to Second Lien Credit Agreement, dated April 22, 2010, as heretofore and hereinafter amended, supplemented or otherwise modified, the "**Prepetition Second Lien Credit Agreement**" and collectively with the security, pledge and guaranty agreements, mortgages and all other ancillary documentation executed in connection with the foregoing, including without limitation, the Intercreditor Agreement, each as amended, supplemented and otherwise modified, the "**Prepetition Second Lien Agreements**", and together with the Prepetition First Lien Agreements, the "**Prepetition Agreements**"), among the Borrower, Parent and Holdings, the lenders party thereto from time to time (collectively, the "**Prepetition Second Lien Lenders**" and together with Prepetition First Lien Lenders, the "**Prepetition Lenders**"), Credit Suisse as administrative agent, credit-linked deposit account agent and collateral agent for the Prepetition Second Lien Lenders (together with its successors in such capacity, the "**Prepetition Second Lien Agent**" and together with the Prepetition First Lien Agent, the "**Prepetition Agents**"), Credit Suisse as issuing bank (together with its successors in such capacity, the "**Prepetition Second Lien Issuing Bank**" and collectively with the Prepetition First Lien Issuing Bank, the "**Prepetition Issuing Banks**") and Credit Suisse Securities (USA) LLC as sole bookrunner and sole lead arranger (with its successors in such capacity, the "**Prepetition Second Lien Lead Arranger**" and together with the Prepetition First Lien Lead Arranger, the "**Prepetition Lead Arrangers**"), the Prepetition Second Lien Lenders provided loans and a synthetic letter of credit facility in an aggregate principal amount of

$5,437,918.84 to or for the benefit of the Borrower and each of the other Debtors. As of the Petition Date, the Borrower and each of the other Debtors as obligors under the Prepetition Second Lien Agreement were liable to the Prepetition Second Lien Lenders, in the aggregate principal amount of not less than (i) $4,412,400.38 in aggregate face amount of letters of credit issued and supported by funds deposited by the Prepetition Second Lien Lenders under the synthetic letter of credit facility, (ii) $52,075.17 aggregate amount of funds deposited by the Prepetition Second Lien Lenders under the synthetic letter of credit facility against which letters of credit have not been issued and (iii) $973,443.29 aggregate amount of loans, each pursuant to, and in accordance with the terms of, the Prepetition Second Lien Credit Agreement, plus accrued and unpaid interest thereon and fees (including $16,233.33 in fees and $5,167.83 in interest in respect of the synthetic letter of credit facility), expenses (including any attorneys', accountants', appraisers' and financial advisors' fees that are chargeable or reimbursable under the Prepetition Second Lien Credit Agreement), indemnification obligations and other charges, amounts and costs of whatever nature incurred in connection therewith as provided in the Prepetition Second Lien Credit Agreement (collectively, the "**Prepetition Second Lien Debt**" and together with the Prepetition First Lien Debt, the "**Prepetition Debt**");

(ii) To secure the Prepetition Second Lien Debt, the Debtors granted to the Prepetition Second Lien Lenders a second priority security interest in and lien upon the Prepetition Collateral (the "**Prepetition Second Liens**") and together with the Prepetition First Liens, the "**Prepetition Liens**");

(iii) (A) the Prepetition Second Lien Debt constitutes a legal, valid, enforceable and binding obligation of each of the Debtors under the Prepetition Second Lien Agreements, enforceable in accordance with their terms (other than in respect of the stay of

enforcement arising from section 362 of the Bankruptcy Code); (B) no offsets, defenses or counterclaims to the Prepetition Second Lien Debt exist; (C) no portion of the Prepetition Second Lien Debt is subject to avoidance, disallowance, reduction or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law; (D) each of the Prepetition Second Lien Agreements is valid and enforceable by the Prepetition Second Lien Lenders against each of the Debtors; (E) the Prepetition Second Liens were perfected as of the Petition Date and constitute legal, valid, binding, enforceable and perfected liens in and to the Prepetition Collateral and are not subject to avoidance, reduction, disallowance, disgorgement, counterclaim, surcharge or subordination pursuant to the Bankruptcy Code or applicable non-bankruptcy law, and such liens had priority over any and all other liens on the Prepetition Collateral, subordinated only to the Prepetition First Liens and the Third Party Liens; and (F) the Debtors and their estates do not have, hereby forever release, are forever barred from bringing, any claim, objection, challenge or cause of action against the Prepetition Second Lien Agent, the Prepetition Second Lien Lead Arranger, the Deposit Agent or any Issuing Bank (each as defined in the Prepetition Second Lien Credit Agreement), and the Prepetition Second Lien Lenders or any of their respective affiliates, parents, subsidiaries, partners, controlling persons, agents, attorneys, advisors, professionals, officers, directors and employees, each in their capacities as such, whether arising under applicable state or federal law (including, without limitation, any recharacterization, subordination, avoidance or other claims arising under or pursuant to sections 105, 510 or 542 through 553 of the Bankruptcy Code or otherwise), arising under or in connection with the Prepetition Second Lien Agreements (or the transactions contemplated thereunder), the Prepetition Second Lien Debt or the Prepetition Second Liens, including without limitation, any right to assert any disgorgement or recovery.

(c) *Intercreditor Agreement.*

(i) Pursuant to the terms of that certain Intercreditor Agreement, dated as of April 28, 2009, as amended by that certain First Amendment to Intercreditor Agreement, dated as of April 22, 2010 (as heretofore and hereinafter amended, supplemented or otherwise modified, the "**Intercreditor Agreement**"), the Borrower, the Prepetition First Lien Agent and the Prepetition Second Lien Agent agreed to, among other things, the relative priorities of claims arising under the Prepetition Agreements.

5. *Findings Regarding the Financing.*

(a) Good cause has been shown for the entry of this Final Order.

(b) The Debtors have a critical need to obtain the Financing and use the Prepetition Collateral, including the Cash Collateral (as defined herein), in order to permit, among other things, the orderly continuation of the operation of their businesses, to maintain business relationships with vendors, suppliers and customers, to make payroll and to make capital expenditures. The access of the Debtors to sufficient working capital and liquidity through the use of Cash Collateral, incurrence of new indebtedness for borrowed money and other financial accommodations is vital to the Debtors' restructuring efforts and the preservation and maintenance of the going concern values of the Debtors.

(c) The Debtors are unable to obtain financing on more favorable terms from sources other than the DIP Lenders under the DIP Documents and are unable to obtain adequate unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense. The Debtors are also unable to obtain secured credit allowable under sections 364(c)(1), 364(c)(2) and 364(c)(3) of the Bankruptcy Code without the Debtors granting to the DIP Agents and the DIP Lenders, subject to the Carve-Out as provided for herein, the DIP Liens

and the Superpriority Claims (as defined herein) under the terms and conditions set forth in the Interim Order, this Final Order and in the DIP Documents.

(d) The Required Lenders (as defined in the Prepetition First Lien Credit Agreement) have consented to, conditioned upon entry of the Interim Order and this Final Order, the entry into the DIP Documents and the grants of liens and claims provided for herein, including: (i) the imposition of priming liens under section 364(d)(1) of the Bankruptcy Code in favor of the DIP Collateral Agent, for the benefit of itself, the DIP Lenders and the other Secured Parties (as defined in the DIP Credit Agreement, the "**DIP Secured Parties**"), and (ii) the Debtors' use of Prepetition Collateral, including Cash Collateral.

(e) Based on the record presented to the Court at the Hearings, the terms of the Financing and the use of the Prepetition Collateral, including the Cash Collateral, are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties and constitute reasonably equivalent value and fair consideration.

(f) The Financing and the use of Prepetition Collateral, including the Cash Collateral, have been negotiated in good faith and at arm's length among the Debtors, the DIP Agents, the DIP Lenders, the Prepetition First Lien Agent and Prepetition First Lien Lenders comprising the "Required Lenders" under the Prepetition First Lien Credit Agreement, and all of the Debtors' obligations and indebtedness arising under, in respect of or in connection with the Financing and the DIP Documents, including without limitation, (i) all loans incurred by or made to, and all letters of credit issued for the account of, the Debtors under the DIP Credit Agreement and (ii) any "Obligations" (as defined in the DIP Credit Agreement), including any credit extended in respect of overdrafts and related liabilities and other depository, treasury, and cash management services and other clearing services provided by any DIP Agent or their respective

affiliates (all of the foregoing clauses (i) and (ii), the "**DIP Obligations**"), shall be deemed to have been extended by the DIP Agents and the DIP Lenders and their affiliates in good faith, as that term is used in section 364(e) of the Bankruptcy Code and in express reliance upon the protections offered by section 364(e) of the Bankruptcy Code, and shall be entitled to the full protection of section 364(e) of the Bankruptcy Code in the event that this Final Order or any provision hereof is vacated, reversed or modified, on appeal or otherwise.

(g) The Debtors have requested entry of this Final Order pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2) and the Local Rules. The Debtors require access to the Financing provided by the DIP Documents, including the use of Cash Collateral, in order to continue their operations. Consummation of the Financing and authorization of the use of the Prepetition Collateral, including the Cash Collateral, in accordance with this Final Order and the DIP Documents is therefore in the best interests of the Debtors' estates.

6. *Authorization of the Financing and the DIP Documents.*

(a) Pursuant to the Interim Order, the Borrower was authorized to enter into the DIP Documents and borrow money, incur indebtedness and obtain letters of credit pursuant to the DIP Credit Agreement, and the Guarantors were authorized to guaranty such borrowings and indebtedness and the Borrower's obligations with respect to such letters of credit, up to an aggregate principal or face amount of $30 million in DIP LC's and Term Loans, plus interest, fees and other expenses and amounts provided for in the DIP Documents, in accordance with the terms of the Interim Order and the DIP Documents (the "**Initial Draw**"). Pursuant to this Final Order, the Initial Draw and the DIP Documents are approved on a final basis, and the Debtors are hereby authorized to borrow money, incur indebtedness and obtain letters of credit for the balance of the Financing available under the DIP Documents and the Guarantors are authorized

to guaranty such borrowings and indebtedness and the Borrower's obligations with respect to such letters of credit, which only shall be used for the purposes permitted under the DIP Documents, including (i) the funding of the Accounts (as defined herein), (ii) to provide working capital needs and general corporate purposes of the Debtors, and (iii) to make payments or fund amounts otherwise permitted in this Final Order and the DIP Documents and in accordance with the Approved DIP Budget. In addition to such loans and obligations, the Debtors are authorized to incur overdrafts and related liabilities arising from treasury, depository and cash management services including any automated clearing house fund transfers provided to or for the benefit of any of the Debtors by the DIP Agents or any of their affiliates; provided that nothing herein shall require any of the DIP Agents, affiliate or any other party to incur overdrafts or to provide such services or functions to the Debtors.

(b) In furtherance of the foregoing and without further approval of this Court, each Debtor is authorized to perform all acts, to make, execute and deliver all instruments and documents (including, without limitation, the execution or recordation of security agreements, mortgages and financing statements), and to pay all fees that may be reasonably required or necessary for the Debtors' performance of their obligations under the DIP Documents, including, without limitation:

(i) the execution, delivery and performance of the DIP Credit Agreement and the other DIP Documents, any mortgages contemplated thereby and any exhibits attached thereto;

(ii) the execution, delivery and performance of that certain Second Amendment and Consent to Amended and Restated Credit Agreement (First Lien), dated as of January 18, 2012;

(iii) the non-refundable payment of the Consent Fee (as defined in the DIP Credit Agreement) to each Prepetition First Lien Lender who consents to the first priority, senior, priming, perfected Liens on the Prepetition Collateral granted to the DIP Lenders under the Loan Documents, the Interim Order and this Final Order, which fee shall be payable in kind by adding the amount thereof to the principal amount of each such Prepetition First Lien Lender's loans under the Prepetition First Lien Credit Agreement; provided, however, that the Committee shall have the right to seek to reduce or recharacterize the amount of the Consent Fee made pursuant to this paragraph (iii) in the event a Successful Challenge Order (as defined in paragraph 21) is obtained;

(iv) the non-refundable payment to the DIP Agents, the DIP Issuing Bank, the DIP Lenders, the Prepetition First Lien Lenders and the Backstop Lenders (as defined in the DIP Credit Agreement), as the case may be, of the fees referred to in the DIP Credit Agreement and in any separate fee letter agreements provided for in the DIP Credit Agreement, and reasonable costs and expenses as may be due from time to time, including, without limitation, fees and expenses of the professionals retained as provided for in the DIP Documents;

(v) the execution, delivery and performance of one or more amendments, waivers, consents or other modifications to and under the DIP Documents for, among other things, the purpose of adding additional entities as DIP Lenders and reallocating the commitments for the Financing among the DIP Lenders, in each case in such form as the Debtors and the holders of commitments under the Financing, as specified in the DIP Documents for the desired amendment, waiver, consent or other modification, may agree, it being understood that no further approval of the Court shall be required for amendments, waivers, consents or other modifications to and under the DIP Documents or the DIP Obligations that do not materially and

adversely impair the rights of the Debtors, their estates or other parties in interest (other than the parties to the DIP Credit Agreement) thereunder; and

(vi) the performance of all other acts required under or in connection with the DIP Documents.

(c) The DIP Documents constitute valid and binding obligations of each of the Debtors and are enforceable against each Debtor in accordance with the terms thereof. No obligation, payment, transfer or grant of security under the DIP Documents or this Final Order shall be stayed, restrained, voidable, avoidable or recoverable under the Bankruptcy Code or under any applicable law (including without limitation, under sections 502(d) or 548 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law), or subject to any defense, reduction, setoff, recoupment or counterclaim.

7. *Reserves and Accounts.* The Borrower and the Guarantors are authorized and directed to establish and maintain the following accounts funded by the Term Loans: (i) a reserve account (the "**Reserve Account**"); (ii) an interest reserve account (the "**Interest Reserve Account**"); and (iii) an operating account (the "**Operating Account**") (collectively, the "**Accounts**"). The Accounts are to be used in conjunction with the Borrower's and the Guarantors' existing cash management system subject to the conditions described in the DIP Credit Agreement (the "**Cash Management System**"). The Cash Management System and all accounts established in connection therewith shall be used for the purposes and on the terms and conditions set forth in the DIP Credit Agreement and the other DIP Documents. The Borrower and the Guarantors are authorized and directed to establish and maintain control agreements on all of the Accounts and any other existing bank account of the Borrower or any of the Guarantors

used as part of the Cash Management System as may be required by the DIP Credit Agreement and the other DIP Documents, and the banks at which such accounts are maintained are authorized to execute and deliver such control agreements as required by the Interim Order, this Final Order and the DIP Credit Agreement. The control agreements shall confirm the first priority perfected lien on the Accounts granted pursuant to the Interim Order and this Final Order in favor of the DIP Collateral Agent on behalf of the DIP Agents, the DIP Lenders and the other DIP Secured Parties. For the avoidance of doubt, neither the Credit Linked Deposits nor the Credit Linked Deposit Account (as each such term is defined in the DIP Credit Agreement) is property of the Debtors' estates under section 541 of the Bankruptcy Code.

8. The Prepetition Agents and the Prepetition Lenders shall immediately share dominion and control with the DIP Collateral Agent with respect to each depository account of the Borrower and the Guarantors or other third party that was subject to a deposit account control agreement in favor of a Prepetition Agent as of the Petition Date, and such deposit account control agreements shall as of the date of the Interim Order and thereafter be additionally enforceable by the DIP Collateral Agent against, and binding upon, each depository institution party thereto until the DIP Obligations have been paid in full in cash and the DIP Credit Agreement shall have been terminated, after which such deposit account control agreements shall again be solely enforceable by the Prepetition Agents that are a party thereto.

9. *Superpriority Claims*. Pursuant to section 364(c)(1) of the Bankruptcy Code, all of the DIP Obligations shall constitute allowed claims against the Debtors with priority over any and all administrative expenses, diminution claims (including all Adequate Protection Obligations (as defined herein)) and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative

expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all administrative expenses or other claims arising under sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 546, 726, 1113 or 1114 of the Bankruptcy Code (the "**Superpriority Claims**"), whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, which allowed claims shall be payable from and have recourse to all pre- and postpetition property of the Debtors and all proceeds thereof, subject only to the payment of the Carve-Out to the extent specifically provided for herein.

10. *Carve-Out.*

(a) So long as there is no Carve-Out Event (as defined herein), the allowed professional fees and disbursements incurred by professional persons employed by the Debtors or the Committee (including any expenses of the members of such Committee) (collectively, the "**Professional Expenses**") may be paid (without reducing the Carve-Out) to the extent authorized in the Approved DIP Budget and subject to entry of a customary order of this Court, in form and substance reasonably acceptable to the Required Lenders (as defined in the DIP Credit Agreement), allowing for the interim payment of such amounts, and subject further to final approval by this Court of any such Professional Expenses. A "**Carve-Out Event**" shall mean an Event of Default (as defined in the DIP Credit Agreement) or an event which with the giving of notice or lapse of time or both would constitute an Event of Default, (x) written notice of which has been given by the DIP Administrative Agent to the Borrower or (y) in respect of which the Borrower has knowledge of such Event of Default and fails to provide written notice to the DIP Administrative Agent within two (2) business days of obtaining such knowledge.

(b) (i) The DIP Collateral Agent's liens on the Collateral and claims, including any Superpriority Claims, and (ii) the liens, security interests and claims of the Prepetition First Lien Lenders (including adequate protection replacement liens and superpriority claims), will be subject to a carve out (the "**Carve-Out**") in an amount not to exceed: (A) all accrued but unpaid Professional Expenses incurred by the Borrower and the Committee prior to the date of delivery by the DIP Administrative Agent to the Borrower and its counsel of record of a notice of cessation of funding from the Reserve Account (the "**Pre-Carve Out Notice Amount**"), provided that, such Pre-Carve Out Notice Amount shall not exceed the amounts set forth in the Approved DIP Budget for such items through the date of such notice (including any

unused amounts for Professional Expenses incurred prior to the Carve-Out Event that are rolled forward under such Approved DIP Budget), plus (B) $500,000 for the payment of Professional Expenses arising after date of delivery by the DIP Administrative Agent to the Borrower and its counsel of record of a notice of cessation of funding from the Reserve Account (the "**Post-Carve Out Notice Amount**") plus (C) fees incurred pursuant to 28 U.S.C. § 1930 and fees payable to the clerk of the Court, to the extent such fees were incurred prior to delivery by the DIP Administrative Agent to the Borrower and counsel to the Committee of a notice of an Event of Default. In no event shall any of the Carve-Out be used to pay any fees or expenses of any person retained in a chapter 7 case under section 326, 327 or 328 of the Bankruptcy Code. Notwithstanding the foregoing, no portion of the Carve-Out and no portion of any amounts approved for payment prior to an Event of Default shall be utilized in a manner prohibited under the DIP Credit Agreement and paragraph 6(a) of this Final Order.

(c) No portion of the DIP Loan, the Collateral, the Cash Collateral, or the Carve-Out shall be used or be available to pay any fees, disbursements, costs or expenses incurred by any party in connection with: (i) challenging the amount, extent, validity, perfection, priority or enforceability of or asserting any defense, counterclaim or offset to, the obligations under the Prepetition Agreements, or the security interests and liens of the DIP Secured Parties or the Prepetition Secured Parties in respect thereof; or (ii) the investigation (including discovery proceedings), assertion, initiation or prosecution of any other claims, causes of action, adversary proceedings or other litigation against the DIP Lenders, the DIP Agents, the Prepetition Lenders, the Prepetition Agents, the Prepetition Issuing Banks or the Prepetition Lead Arrangers; provided that the Committee may expend up to $100,000 in fees and expenses investigating the obligations under the Prepetition Agreements.

11. *DIP Liens*. As security for the DIP Obligations, effective and perfected upon the date of the Interim Order and without the necessity of the execution, recordation of filings by the Debtors of mortgages, security agreements, control agreements, pledge agreements, financing statements or other similar documents, or the possession or control by the DIP Collateral Agent of, or over, any Collateral, the DIP Collateral Agent shall receive, and is granted by the Debtors, for its own benefit and the benefit of the DIP Lenders and the other DIP Secured Parties, a fully perfected pledge of all equity interests in the Borrower and each Guarantor (other than the Parent), all inter-company notes or inter-company receivables due to the Borrower and each Guarantor and all other instruments of the Borrower and each Guarantor, and a fully perfected security interest in all prepetition and postpetition assets of each Debtor (including the Accounts), and in each case, all proceeds resulting therefrom (such property and all property identified in clauses (a), (b) and (c) below being collectively referred to as the "**Collateral**"), subject only to the payment of the Carve-Out as set forth in this Final Order and the DIP Credit Agreement (all such liens and security interests granted to the DIP Collateral Agent, for its benefit and for the benefit of the DIP Secured Parties, pursuant to this Final Order and the DIP Documents, the "**DIP Liens**"):

(a) First Lien on Cash Balances and Unencumbered Property. Pursuant to section 364(c)(2) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority senior security interest in and lien upon all pre- and postpetition property of the Debtors, whether existing on the Petition Date or thereafter acquired, that, on or as of the Petition Date is not subject to valid, perfected and non-avoidable liens (collectively, "**Unencumbered Property**"), including without limitation, all inter-company notes or inter-company receivables due to the Borrower and each Guarantor, any and all cash and cash

collateral of the Debtors (whether maintained with the DIP Collateral Agent or otherwise) and any investment of such cash and cash collateral, inventory, any accounts receivable, any other right to payment whether arising before or after the Petition Date, contracts, properties, plants, equipment, general intangibles, documents, instruments, interests in leaseholds, real properties, patents, copyrights, trademarks, trade names, other intellectual property, capital stock of all subsidiaries and the proceeds of all the foregoing. Unencumbered Property shall also include the Debtors' claims and causes of action under sections 502(d), 542, 544, 545, 547, 548, 549, 550, and 553 of the Bankruptcy Code and any other avoidance actions under the Bankruptcy Code and the proceeds thereof and property received thereby whether by judgment, settlement or otherwise (collectively, "**Avoidance Actions**"); provided, however, that (1) upon satisfaction in full in cash of the DIP Obligations, the DIP Liens on the Avoidance Actions and the proceeds and property recovered thereunder shall automatically be released (but the 507(b) Claims (as defined below) shall continue to extend to proceeds of Avoidance Actions), and (2) the DIP Lenders shall be entitled to the proceeds and property recovered or the subject of Avoidance Actions only to the extent the DIP Obligations are not fully satisfied by the proceeds of other Collateral.

(b) Liens Priming Prepetition Lenders' Liens. Pursuant to section 364(d)(1) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected first priority senior priming security interest in and lien upon all pre- and postpetition property of the Debtors (including, without limitation, any and all cash and cash collateral of the Debtors (whether maintained with the DIP Collateral Agent or otherwise) and any investment of such cash and cash collateral, inventory, any accounts receivable, any other right to payment whether arising before or after the Petition Date, contracts, properties, plants, equipment, general intangibles,

documents, instruments, interests in leaseholds, real properties, patents, copyrights, trademarks, trade names, other intellectual property, capital stock of subsidiaries, and the proceeds of all the foregoing), whether now existing or hereafter acquired, that is subject to the Prepetition Liens securing the Prepetition Debt. Such security interests and liens shall be senior in all respects to the interests in such property of the Prepetition Lenders arising from current and future liens of the Prepetition Lenders (including, without limitation, Adequate Protection Liens (as defined herein) granted hereunder as adequate protection), but shall not be senior to any valid, perfected and unavoidable interests of other parties arising out of liens, if any, on such property existing immediately prior to the Petition Date, or to any valid, perfected and unavoidable interests in such property arising out of liens to which the liens of the Prepetition First Lien Lenders become or became subject to subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code.

(c) Liens Junior to Certain Other Liens. Pursuant to section 364(c)(3) of the Bankruptcy Code, a valid, binding, continuing, enforceable, fully-perfected security interest in and lien upon all pre- and postpetition property of the Debtors (other than the property described in clauses (a) or (b) of this paragraph 11, as to which the liens and security interests in favor of the DIP Collateral Agent will be as described in such clauses), whether now existing or hereafter acquired, that is subject to valid, perfected and unavoidable liens in existence immediately prior to the Petition Date (other than the Prepetition Liens, which shall be governed by paragraph 11(b)) or to valid and unavoidable liens in existence immediately prior to the Petition Date that are perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code, which liens in favor of the DIP Collateral Agent are immediately junior to such valid, perfected and unavoidable liens ("**Third Party Liens**").

(d) Liens Senior to Certain Other Liens. The DIP Liens shall not be (a) subject or subordinate to (i) any lien or security interest that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or (ii) any liens arising after the Petition Date including, without limitation, subject to and effective upon entry of a Final Order, any liens or security interests granted in favor of any federal, state, municipal or other governmental unit, commission, board or court for any liability of the Debtors or (b) subordinated to or made *pari passu* with any other lien or security interest under sections 363 or 364 of the Bankruptcy Code or otherwise.

12. *Protection of DIP Lenders' Rights.*

(a) All Collateral shall be free and clear of all liens, claims and encumbrances, except for those liens, claims and encumbrances expressly permitted under this Final Order (including Third Party Liens) and the DIP Documents.

(b) So long as there are any DIP Obligations outstanding (other than contingent indemnity obligations as to which no claim has been asserted when all other amounts have been paid and no letters of credit are outstanding), or the DIP Lenders have any Commitments (as defined in the DIP Credit Agreement) under the DIP Credit Agreement, the Prepetition Agents and the Prepetition Lenders shall (i) take no action to foreclose upon or recover in connection with the liens granted thereto pursuant to the Prepetition Agreements, the Interim Order or this Final Order, or otherwise exercise remedies against any Collateral, except to the extent authorized by an order of this Court and the Prepetition First Lien Agent hereby reserves the right to seek such relief and (ii) not file any further financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments, or otherwise take any action to perfect their security interests in the Collateral unless, solely as to this clause (ii), the

DIP Collateral Agent files any financing statement or other document to perfect the liens granted pursuant to the Interim Order or this Final Order, or as may be required by applicable state law to continue the perfection of valid and unavoidable liens or security interests as of the Petition Date.

(c) Notwithstanding section 362 of the Bankruptcy Code, without further order or application to the Court, the automatic stay is hereby vacated and modified to the extent necessary to permit the DIP Agents and the DIP Lenders to exercise, upon the occurrence and during the continuation of any Event of Default (as defined in the DIP Credit Agreement), all rights and remedies provided for in the Interim Order, this Final Order, the DIP Documents or applicable law, including, without limitation:

(i) without prior written notice to any person, but subject to the Carve-Out in each case, exercise the DIP Administrative Agent's or the DIP Collateral Agent's remedies under any control agreement with respect to the Operating Account and any of the Debtors' other bank accounts, to order the institutions that are parties to such control agreements to immediately dishonor all withdrawals from such accounts ordered by any person other than the DIP Administrative Agent or the DIP Collateral Agent, and immediately transfer all funds in such accounts into the Reserve Account and then transfer any additional funds deposited into such accounts into the Reserve Account on a daily basis; and

(ii) upon five (5) business days' written notice to the Borrower (or, in the case of clause (A), immediately upon written notice), the Prepetition First Lien Agent, the Prepetition Second Lien Agent, the office of the U.S. Trustee and counsel to the Committee, take one or more of the following actions, at the same or different times: (A) reduce the amount of, suspend or terminate any outstanding Commitments; (B) terminate the DIP Loan; (C) charge default interest on the DIP Loan; (D) declare all or any portion of the DIP Loan to be due and payable; (E) subject to the Carve-Out, realize on any or all Collateral and exercise any and all remedies under the DIP Documents, any applicable control agreement and applicable law, including the right to set off or seize amounts in accounts, including the Accounts, maintained with or under control of the DIP Collateral Agent or any DIP Lender; provided, however, that the rights of the DIP Agents, Secured Parties (as defined in the DIP Credit Agreement), Prepetition Agents and

Prepetition Secured Parties' rights of access to leased premises shall be limited to their rights under applicable state law, as agreed to with applicable landlords, or as set forth in a further order of the Court.

(d) In any hearing before this Court within such five (5) business day period regarding any exercise of rights or remedies, the only issue that may be raised by the Debtors and any party in interest shall be whether, in fact, an Event of Default has occurred. Each of the Debtors hereby waives its right to seek relief, including, without limitation, under section 105 of the Bankruptcy Code, to the extent such relief would in any way impair or restrict the rights and remedies of the DIP Collateral Agent, the DIP Administrative Agent, the DIP Deposit Agent, the DIP Issuing Bank or the DIP Lenders set forth in the Interim Order, this Final Order or the DIP Documents. In no event shall the DIP Agents, the DIP Issuing Bank, the DIP Lenders, the Prepetition Agents or the Prepetition Lenders be subject to the equitable doctrine of "marshaling" or any similar doctrine with respect to the Collateral. The failure of any DIP Agent, any DIP Issuing Bank or any DIP Lender to seek relief or otherwise exercise or enforce its rights and remedies under the DIP Documents, the Interim Order or this Final Order shall not constitute a waiver of any DIP Agent's, any DIP Issuing Bank's or any DIP Lender's rights or remedies hereunder, thereunder or otherwise.

(e) Subject to the Intercreditor Agreement, entry of this Final Order shall be without prejudice to the right of the Prepetition Agents, the Prepetition Issuing Banks and the Prepetition Lenders to seek relief in the Bankruptcy Cases and to appear and be heard on any matter before the Court.

(f) The Debtors are hereby authorized and directed to pay upon demand all fees, costs, expenses and other amounts payable under the terms of the DIP Documents and all other reasonable, out-of-pocket fees, costs and expenses of the DIP Agents, the DIP Issuing

Bank, the DIP Lenders, the Prepetition First Lien Agent, the Prepetition First Lien Issuing Bank and the Ad Hoc Committee in accordance with the terms of the DIP Documents (including, without limitation, the reasonable, out-of-pocket prepetition and postpetition fees, costs and expenses of legal counsel (including local counsel), financial advisors, collateral agents, consultants, advisors, auditors, and third-party appraisers advising or assisting such parties, and any other fees and expenses set forth in the DIP Documents (including without limitation all expenses relating to the enforcement of rights, expenses in connection with the preparation and negotiation of the DIP Documents and any amendments thereto, and other miscellaneous disbursements)). None of such fees, costs, expenses or other amounts shall be subject to Court approval or U.S. Trustee guidelines, and no recipient of any such payment shall be required to file with respect thereto any interim or final fee application with this Court; provided, however, that copies of any such detailed invoices (which invoices may be redacted to the extent necessary, to delete any information that is confidential or subject to the attorney-client privilege or attorney work product) shall be provided contemporaneously to the U.S. Trustee and counsel to the Committee, such parties shall have ten (10) business days to review and object in writing to any such invoices, and, if no objection is timely filed within such ten (10) business day period, no further objection shall be allowed or considered; and provided further, that the Court shall have jurisdiction to determine any dispute concerning such invoices. All such unpaid fees, costs, expenses and other amounts owed or payable shall be secured by the Collateral and afforded all of the priorities and protections afforded to the DIP Obligations under this Final Order and the DIP Documents.

13. *Limitation on Charging Expenses Against Collateral.* (a) Effective upon entry of this Final Order, except to the extent of the Carve-Out, no expenses of administration of the

Bankruptcy Cases or any future proceeding that may result therefrom, including conversion of any of the Bankruptcy Cases to a case under chapter 7 of the Bankruptcy Code or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the Prepetition Collateral or Collateral under section 506(c) or section 552(b) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the DIP Agents, the DIP Lenders, the Prepetition First Lien Agent and the Prepetition First Lien Lenders, as the case may be, and no such consent shall be implied from any other action, inaction, or acquiescence by the DIP Agents, the DIP Lenders, the Prepetition First Lien Agent or the Prepetition First Lien Lenders.

(b) Pursuant to section 552 of the Bankruptcy Code, any cash proceeds of the Collateral and Prepetition Collateral are cash collateral of the DIP Agents, the DIP Lenders, the Prepetition First Lien Agent and the Prepetition First Lien Lenders within the meaning of section 363(a) of the Bankruptcy Code. In light of the DIP Agent's, DIP Lenders', the Prepetition First Lien Agent's and the Prepetition First Lien Lenders' agreement to the Carve-Out and subjecting the DIP Liens, Superpriority Claims, Adequate Protection Liens (as defined below) and 507(b) Claims (as defined below) to the Carve-Out Expenses, the DIP Agent, the DIP Lenders, the Prepetition First Lien Agent and the Prepetition First Lien Lenders shall be entitled to all benefits of section 552(b) of the Bankruptcy Code and, subject to entry of the Final Order, the "equities of the case" exception under sections 552(b)(i) and (ii) of the Bankruptcy Code shall not apply to such parties with respect to the proceeds, products, rents, issues or profits of any of their collateral. Furthermore, upon entry of the Final Order, the Debtors and their estates shall be deemed to have irrevocably waived and have agreed not to assert any claim or right under sections 552 of the Bankruptcy Code to avoid the imposition of the liens of the DIP Agent, the

DIP Lenders, the Prepetition First Lien Agent and the Prepetition First Lien Lenders on any property acquired by any of the Debtors or any of their estates or to seek to surcharge any costs or expenses incurred in connection with the preservation, protection or enhancement of, or realization by, the DIP Agent, the DIP Lenders, the Prepetition First Lien Agent or the Prepetition First Lien Lenders upon the DIP Collateral or the Prepetition Collateral.

14. *The Cash Collateral.* To the extent any funds were on deposit with any Prepetition First Lien Lender as of the Petition Date, including, without limitation, all funds deposited in, or credited to, an account of any Debtor with any Prepetition First Lien Lender immediately prior to the Petition Date (regardless of whether, as of such time, such funds had been collected or made available for withdrawal by any such Debtor), such funds (the "**Deposited Funds**") may be subject to rights of setoff in favor of such Prepetition First Lien Lender. By virtue of any such setoff rights and section 553 of the Bankruptcy Code, the Prepetition First Lien Debt may be secured by the Deposited Funds for purposes of these Bankruptcy Cases under section 506(a) of the Bankruptcy Code. The Prepetition First Lien Lenders are obligated, to the extent provided in the Prepetition First Lien Agreements, to share the benefit of such setoff rights with the other Prepetition First Lien Lenders party to such Prepetition First Lien Agreements. Subject to the provisions contained in paragraph 21 of this Final Order, the Debtors' cash, including all cash and other amounts on deposit or maintained in any account subject to a control agreement with the Prepetition First Lien Agent, and any proceeds of the Prepetition Collateral (including the Deposited Funds or any other funds on deposit at a Prepetition First Lien Lender or at any other institution as of the Petition Date), are "cash collateral" of the Prepetition First Lien Lenders within the meaning of section 363(a) of the Bankruptcy Code. The Debtors' cash, all Deposited Funds and all such proceeds of

Prepetition Collateral are referred to herein as "**Cash Collateral**." For the avoidance of doubt, the Credit-Linked Deposit Account (as defined in the Prepetition First Lien Credit Agreement) and the Credit-Linked Deposit Account (as defined in the Prepetition Second Lien Credit Agreement), are not Cash Collateral and are not property of the Debtors' estates under section 541 of the Bankruptcy Code.

15. *Use of Cash Collateral.* Subject to the terms of the Interim Order, this Final Order and the DIP Documents, the Debtors are hereby authorized to use all Cash Collateral of the Prepetition First Lien Lenders, and the Prepetition First Lien Lenders are directed promptly to turn over to the Debtors all Cash Collateral received or held by them, provided that the Prepetition First Lien Lenders are granted adequate protection as set forth in the Interim Order and as hereinafter set forth. The Debtors' right to use Cash Collateral, and the Prepetition First Lien Lenders' consent to use of Cash Collateral, shall terminate automatically on the Maturity Date (as defined in the DIP Credit Agreement).

16. *Adequate Protection.* The Prepetition First Lien Agent and the Prepetition First Lien Lenders are entitled, pursuant to sections 361, 363(e) and 364(d)(1) of the Bankruptcy Code, to adequate protection of their interest in the Prepetition Collateral, including the Cash Collateral, for and equal in amount to the aggregate diminution in the value of the Prepetition First Lien Agent's and the Prepetition First Lien Lenders' interest in the Prepetition Collateral, resulting from (i) the sale, lease or use by the Debtors (or other decline in value) of Cash Collateral and any other Prepetition Collateral, (ii) the priming of the Prepetition First Liens by the DIP Liens pursuant to the DIP Documents, the Interim Order and this Final Order, and (iii) the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code. As adequate protection to the extent of such aggregate diminution in value, the Prepetition First Lien

Agent and the Prepetition First Lien Lenders are hereby granted the following (collectively, the "**Adequate Protection Obligations**"):

(a) Adequate Protection Liens. The Prepetition First Lien Agent (for itself and for the benefit of the Prepetition First Lien Lenders) (i) shall maintain security interests in and liens upon all of the Collateral, and (ii) is hereby granted (effective and perfected upon the date of the Interim Order and without the necessity of the execution by the Debtors of mortgages, security agreements, pledge agreements, financing statements or other agreements) a replacement security interest in and lien upon all the Collateral, subject and subordinate only to (x) the DIP Liens granted to the DIP Collateral Agent for the benefit of the DIP Lenders and the other Secured Parties (as defined in the DIP Credit Agreement) in the Interim Order, this Final Order and pursuant to the DIP Documents and any liens on the Collateral to which such liens so granted to the DIP Collateral Agent are junior, and (y) the Carve-Out (the "**Adequate Protection Liens**"). The Adequate Protection Liens shall not be (A) subject or subordinate to (x) any lien or security interest that is avoided and preserved for the benefit of the Debtors and their estates under section 551 of the Bankruptcy Code or (y) any liens arising after the Petition Date including, without limitation, any liens or security interests granted in favor of any federal, state, municipal or other governmental unit, commission, board or court for any liability of the Debtors or (B) subordinated to or made *pari passu* with any other lien or security interest under sections 363 or 364 of the Bankruptcy Code or otherwise, except the DIP Liens on the terms and conditions set forth in the Interim Order, this Final Order and the DIP Documents.

(b) Section 507(b) Claim. The Prepetition First Lien Agent and the Prepetition First Lien Lenders are hereby granted, subject to the payment of the Carve-Out, a superpriority claim as provided for in section 507(b) of the Bankruptcy Code with priority in

payment over any and all administrative expenses of the kinds specified or ordered under any provisions of the Bankruptcy Code, including sections 105, 326, 328, 330, 331, 503, 507(a), 726, 1113 or 1114 of the Bankruptcy Code (the "**507(b) Claims**"). The 507(b) Claims shall be junior to the claims under section 364(c)(1) of the Bankruptcy Code held by the DIP Agents and the DIP Lenders in respect of the DIP Obligations. The Prepetition First Lien Agent and the Prepetition First Lien Lenders shall not receive or retain any payments, property or other amounts in respect of the 507(b) Claims granted hereunder or under the Prepetition First Lien Agreements unless and until the DIP Obligations have indefeasibly been paid in cash in full.

(c) Fees and Expenses of Ad Hoc Committee. The Debtors shall pay in cash (i) the reasonable out-of-pocket expenses of the members of the Ad Hoc Committee and (ii) the fees and expenses payable to the Ad Hoc Committee, including, but not limited to, the reasonable fees and disbursements of (A) Willkie Farr & Gallagher LLP and Blank Rome, LLP, counsel to the Ad Hoc Committee, (B) Conway, Del Genio, Gries & Co., LLC, financial advisor to counsel to the Ad Hoc Committee, and (C) any other advisors or consultants to the Ad Hoc Committee (including, without limitation, any real estate consultant retained by the Ad Hoc Committee), whether arising prior to or after the Petition Date, promptly upon receipt of invoices therefore (subject in all respects to applicable privilege or work product doctrines) and without the necessity of filing motions or fee applications, including such amounts arising before and after the Petition Date; provided, however, that copies of any such invoices (which invoices may be redacted to the extent necessary, to delete any information that is confidential or subject to the attorney-client privilege or attorney work product) shall be provided contemporaneously to the U.S. Trustee and counsel to the Committee, such parties shall have ten (10) business days to review and object in writing to any such invoices, and, if no objection is timely filed within such

ten (10) business day period, no further objection shall be allowed or considered; and provided further, that the Court shall have jurisdiction to determine any dispute concerning such invoices.

(d) Fees and Expenses of Prepetition First Lien Agent. The Debtors shall pay in cash all of the fees and expenses payable to the Prepetition First Lien Agent and the Prepetition First Lien Issuing Bank under the Prepetition First Lien Agreements, including, but not limited to, the reasonable fees and disbursements of Skadden, Arps, Slate, Meagher & Flom LLP, counsel to the Prepetition First Lien Agent, and reasonable fees and disbursements of any financial and other consultants for the Prepetition First Lien Agent, whether arising prior to or after the Petition Date, promptly upon receipt of invoices therefor (subject in all respects to applicable privilege or work product doctrines) and without the necessity of filing motions or fee applications, including such amounts arising before and after the Petition Date; provided, however, that copies of any such detailed invoices (which invoices may be redacted to the extent necessary, to delete any information that is confidential or subject to the attorney-client privilege or attorney work product) shall be provided contemporaneously to the U.S. Trustee and counsel to the Committee, such parties shall have ten (10) business days to review and object in writing to any such invoices, and, if no objection is timely filed within such ten (10) business day period, no further objection shall be allowed or considered; and provided further, that the Court shall have jurisdiction to determine any dispute concerning such invoices.

(e) Information. The Debtors shall provide the Prepetition First Lien Agent for posting to the Prepetition First Lien Lenders with copies of all reports, information and other materials that are provided to, or required to be provided to, the DIP Agents or the DIP Lenders and such other reports and materials as reasonably requested by the Prepetition First Lien Agent.

17. *Reservation of Rights of the Prepetition Lenders.*

(a) The Court finds, given the consent of the Prepetition First Lien Lenders, that the adequate protection provided herein is reasonable and sufficient under the circumstances to protect the interests of the Prepetition First Lien Agent and the Prepetition First Lien Lenders. Notwithstanding the foregoing, if an Event of Default occurs, the DIP Agents, the DIP Lenders, the Prepetition First Lien Agent and the Prepetition First Lien Lenders expressly reserve all rights to seek additional adequate protection and/or relief from the automatic stay to enforce any rights under the DIP Documents and/or Prepetition First Lien Credit Agreement.

(b) The consent of the Prepetition First Lien Lenders to the priming of the Prepetition First Liens by the DIP Liens and the Carve-Out (i) is limited to the Financing authorized under the Interim Order and this Final Order, which includes the entitlement of all Prepetition First Lien Lenders to participate in the Financing, and shall not extend to any other postpetition financing or to any modified version or replacement of the Financing and (ii) does not constitute, and shall not be construed as constituting, an acknowledgement or stipulation by the Prepetition First Lien Agent or the Prepetition First Lien Lenders that, absent such consent, their interests in the Prepetition Collateral would be adequately protected pursuant to the Interim Order and this Final Order.

(c) Except on the terms of the Interim Order and this Final Order, at all times before the Maturity Date (as defined in the DIP Credit Agreement), the Debtors are prohibited from at any time using the Cash Collateral.

18. *Intercreditor Agreement.* Nothing in this Final Order shall amend or otherwise modify the terms or enforceability of the Intercreditor Agreement, including without limitation, the turnover provisions contained therein, and the Intercreditor Agreement shall remain in full

force and effect. The rights, benefits and privileges of the Prepetition Lenders hereunder shall at all times remain subject to the Intercreditor Agreement.

19. *Perfection of DIP Liens and Adequate Protection Liens.*

(a) Subject to the provisions of paragraph 11 above, the DIP Agents, the DIP Lenders, the Prepetition First Lien Agent and the Prepetition First Lien Lenders are hereby authorized, but not required, to file or record financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments in any jurisdiction, or take possession of or control over, or take any other action (including taking or releasing any liens or pledges granted by the Interim Order and this Final Order or held by the Prepetition First Lien Agent and the Prepetition First Lien Lenders) in order to validate and perfect the DIP Liens and the Adequate Protection Liens granted to them under the Interim Order and hereunder. Whether or not any DIP Agent on behalf of the DIP Lenders or the Prepetition First Lien Agent on behalf of the Prepetition First Lien Lenders shall, in its sole discretion, choose to file such financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments that may be otherwise required under federal or state law in any jurisdiction, or take any action, including taking possession, to validate and perfect such security interests and liens, and, or take possession of or control over, or otherwise confirm perfection of the liens and security interests granted to them hereunder, such liens and security interests shall be deemed valid, perfected, allowed, enforceable, non-avoidable and not subject to challenge, dispute or subordination, as of the date of entry of the Interim Order. The failure of the Debtors to execute any documentation relating to the enforceability, priority or perfection of the DIP Liens or the Adequate Protection Liens shall in no way affect the validity, perfection or priority of the DIP Liens or the Adequate Protection Liens.

(b) If the DIP Agents (solely with respect to the DIP Liens) or the Prepetition First Lien Agent (solely with respect to the Adequate Protection Liens), each in its sole discretion, elects to file any financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments, or otherwise to confirm perfection of the DIP Liens or the Adequate Protection Liens, as applicable, the Debtors shall cooperate with and assist in such process, the stay imposed under section 362 of the Bankruptcy Code is hereby lifted to permit the filing and recording of a certified copy of this Final Order or any such financing statements, trademark filings, copyright filings, mortgages, notices of lien or similar instruments, and all such documents shall be deemed to have been filed and recorded at the time of and on the date of the Interim Order. Upon the request of the DIP Agents (solely with respect to the DIP Liens) or the Prepetition First Lien Agent (solely with respect to the Adequate Protection Liens), without any further consent of any party, the Debtors are authorized to take, execute, deliver and file such instruments (in each case without representation or warranty of any kind) to enable the DIP Agents or the Prepetition First Lien Agent as applicable, to further validate, perfect, preserve and enforce the DIP Liens or the Adequate Protection Liens, as applicable.

(c) A certified copy of this Final Order may, in the discretion of the DIP Agents (with respect to the DIP Liens) or the Prepetition First Lien Agent (with respect to the Adequate Protection Liens) be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, mortgages, notices of lien or similar instruments, and all filing offices are hereby authorized to accept such certified copy of this Final Order for filing and recording.

(d) Effective upon entry of this Final Order, any provision of any lease or other license, contract or other agreement that requires (i) the consent or approval of one or more

landlords or other parties or (ii) the payment of any fees or obligations to any governmental entity, in order for any Debtor to pledge, grant, sell, assign, or otherwise transfer any such leasehold interest, or the proceeds thereof, or other Collateral related thereto, is hereby deemed to be inconsistent with the applicable provisions of the Bankruptcy Code. Any such provision shall have no force and effect with respect to the transactions granting the DIP Liens or the Adequate Protection Liens, in such leasehold interest or the proceeds of any assignment and/or sale thereof by any Debtor, in favor of the DIP Agents, the DIP Lenders, the Prepetition First Lien Agent or the Prepetition First Lien Lenders in accordance with the terms of the DIP Credit Agreement or this Final Order. Notwithstanding anything to the contrary herein and for the avoidance of doubt, the liens granted in this Final Order with respect to the Collateral shall include the proceeds of leased real property and are not direct liens on the Debtors' leases of real property.

20. *Preservation of Rights Granted Under the Order.*

(a) Unless all DIP Obligations and Adequate Protection Obligations shall have been paid in full (and, with respect to outstanding letters of credit issued pursuant to the DIP Credit Agreement, cash collateralized in accordance with the provisions of the DIP Credit Agreement, the Interim Order and this Final Order), it shall constitute an Event of Default and terminate the right of the Debtors to use Cash Collateral if there is entered (i) any modifications or extensions of this Final Order without the prior written consent of the Required Lenders and the Prepetition First Lien Agent, and no such consent shall be implied by any other action, inaction or acquiescence by the Required Lenders or the Prepetition First Lien Agent, or (ii) an order converting or dismissing any of the Bankruptcy Cases. If an order dismissing any of the Bankruptcy Cases under section 1112 of the Bankruptcy Code or otherwise is at any time

entered, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code) that (A) the DIP Liens, the Adequate Protection Liens, the Superpriority Claims and the 507(b) Claims granted to the DIP Agents, the DIP Lenders and the other DIP Secured Parties and, as applicable, the Prepetition First Lien Agent and the Prepetition First Lien Lenders pursuant to the Interim Orders and this Final Order shall continue in full force and effect and shall maintain their priorities as provided in the Interim Order and this Final Order until all DIP Obligations and Adequate Protection Obligations shall have been paid and satisfied in full (and that such DIP Liens, the Adequate Protection Liens, the Superpriority Claims and the 507(b) Claims shall, notwithstanding such dismissal, remain binding on all parties in interest), (B) the other rights under the Interim Order and this Final Order shall not be affected and (C) this Court shall retain jurisdiction, notwithstanding such dismissal and to the fullest extent permitted by law, for the purposes of enforcing the claims, liens and security interests referred to in this paragraph.

(b) If any or all of the provisions of the Interim Order or this Final Order are hereafter reversed, modified, vacated or stayed, such reversal, modification, vacatur or stay shall not affect (i) the validity of any DIP Obligations or Adequate Protection Obligations incurred prior to the actual receipt of written notice by the DIP Agents or the Prepetition First Lien Agent as applicable, of the effective date of such reversal, modification, vacatur or stay or (ii) the validity or enforceability of any lien, or the priority thereof authorized or created pursuant to the DIP Credit Agreement, the Interim Order or this Final Order with respect to any DIP Obligations or any Adequate Protection Obligations. Notwithstanding any such reversal, modification, vacatur or stay, any use of Cash Collateral, or DIP Obligations or Adequate Protection Obligations incurred by the Debtors to the DIP Agents, the DIP Lenders, the Prepetition First

Lien Agent or the Prepetition First Lien Lenders before the actual receipt of written notice by the DIP Agents and the Prepetition First Lien Agent of the effective date of such reversal, modification, stay or vacatur shall be governed in all respects by the original provisions of the Interim Order, this Final Order, and the DIP Agents, the DIP Lenders, the Prepetition First Lien Agent, the Prepetition First Lien Issuing Bank and the Prepetition First Lien Lenders shall be entitled to all the rights, remedies, privileges and benefits granted in sections 363(m) and 364(e) of the Bankruptcy Code, the Interim Order, this Final Order and pursuant to the DIP Documents with respect to all uses of Cash Collateral, DIP Obligations and Adequate Protection Obligations.

(c) Except as expressly provided in this Final Order or in the DIP Documents, the DIP Liens, the Adequate Protection Liens, the Superpriority Claims, the 507(b) Claims and all other rights and remedies of the DIP Agents, the DIP Issuing Bank, the DIP Lenders, the Prepetition First Lien Agent, the Prepetition First Lien Issuing Bank and the Prepetition First Lien Lenders granted by the provisions of the Interim Order, this Final Order and the DIP Documents shall survive, and shall not be modified, impaired or discharged by (i) the entry of an order converting any of the Bankruptcy Cases to a case under chapter 7, dismissing any of the Bankruptcy Cases, terminating the joint administration of these Bankruptcy Cases, or (ii) the entry of an order confirming a Chapter 11 plan in any of the Bankruptcy Cases. The terms and provisions of the Interim Order, this Final Order and the DIP Documents shall continue in these Bankruptcy Cases, in any successor cases if these Bankruptcy Cases cease to be jointly administered, or in any superseding chapter 7 cases under the Bankruptcy Code, and the DIP Liens, the Adequate Protection Liens, the Superpriority Claims and the 507(b) Claims and all other rights and remedies of the DIP Agents, the DIP Issuing Bank, the DIP Lenders, the Prepetition First Lien Agent, the Prepetition First Lien Issuing Bank and the Prepetition First

Lien Lenders granted by the provisions of the Interim Order, this Final Order and the DIP Documents shall continue in full force and effect until the DIP Obligations and the Adequate Protection Obligations are indefeasibly paid in full in cash. The Debtors shall not propose or support any plan of reorganization or liquidation or entry of any confirmation order that is not conditioned upon the indefeasible payment in full in cash, on or prior to the effective date of such plan of reorganization or liquidation and the Maturity Date, of all DIP Obligations unless the Required Lenders and the DIP Agent shall have consented in writing to such plan.

21. *Effect of Stipulations on Third Parties.* The stipulations and admissions contained in the Interim Order and this Final Order, including, without limitation, in paragraphs 4 and 14 of the Interim Order and this Final Order, shall be binding upon the Debtors, any successor thereto, and their respective estates (including, without limitation, any chapter 7 or chapter 11 trustee appointed or elected for any of the Debtors) in all circumstances, but subject to the challenge rights of the Committee and others set forth in this paragraph 21 below. The stipulations and admissions contained in this Final Order, including, without limitation, in paragraphs 4 and 14 of the Interim Order and this Final Order, shall be binding upon all other parties in interest, including, without limitation, the Committee, unless (a) a party in interest (including the Committee) has filed an adversary proceeding or contested matter (subject to the limitations contained herein, including, *inter alia*, in paragraph 24) on or before the date that is 95 days after the Petition Date (or such later date as has been agreed to, in writing, by the Required Lenders) (the "**Challenge Date**") (i) challenging the validity, enforceability, priority or extent of the Prepetition Debt or the Prepetition Liens on the Prepetition Collateral or (ii) otherwise asserting or prosecuting any Avoidance Action or any other claims, counterclaims or causes of action, objections, contests or defenses (collectively, "**Claims and Defenses**") against any of the

Prepetition Lenders, the Prepetition Agents, the Prepetition Lead Arrangers, the Prepetition Issuing Banks or their respective affiliates, subsidiaries, representatives, directors, officers, attorneys or advisors in connection with matters related to the Prepetition Agreements, the Prepetition Debt or the Prepetition Collateral, and (b) there is a final order in favor of the plaintiff sustaining any such challenge or claim in any such adversary proceeding or contested matter filed on or before the Challenge Date (such order, a "**Successful Challenge Order**"), provided that (1) as to the Debtors, all such Claims and Defenses are hereby irrevocably waived and relinquished as of the Petition Date, and (2) the Committee shall have standing to prosecute a Claim and Defense without further order of this Court. If no such adversary proceeding or contested matter is filed on or before the Challenge Date, (w) the Prepetition Debt shall constitute allowed claims, not subject to counterclaim, setoff, subordination, recharacterization, defense or avoidance for purposes in the Bankruptcy Cases and any subsequent chapter 7 case, (x) the Prepetition Liens on the Prepetition Collateral shall be deemed to be legal, valid, binding, perfected and of the priority described in paragraph 4, not subject to recharacterization, subordination, avoidance or reduction, (y) the release of the Claims and Defenses by the Debtors shall be binding on all parties in interest in the Bankruptcy Cases and any case under chapter 7 of the Bankruptcy Code and (z) the Prepetition Debt, the Prepetition Liens, the Prepetition Agents, the Prepetition Lead Arrangers and the Prepetition Lenders shall not be subject to any other or further challenge by any party in interest seeking to exercise the rights of the Debtors' estates, including, without limitation, any successor thereto (including, without limitation, any estate representative or a chapter 7 or 11 trustee appointed or elected for any of the Debtors). If any such adversary proceeding or contested matter is filed on or before the Challenge Date, the stipulations and admissions contained in the Interim Order and this Final Order, including,

without limitation, paragraphs 4 and 14 of the Interim Order and this Final Order, shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph) on the Committee and on any other person or entity, except to the extent that such findings and admissions were expressly and specifically challenged in such adversary proceeding or contested matter. For the avoidance of doubt, any trustee appointed or elected in these Bankruptcy Cases shall, until the expiration of the period provided herein for asserting Challenges, and thereafter for the duration of any adversary proceeding or contested matter commenced pursuant to this paragraph (whether commenced by such trustee or commenced by any other party in interest on behalf of the Debtors' estates), be deemed to be a party other than the Debtors and shall not, for purposes of such adversary proceeding or contested matter, be bound by the acknowledgments, admissions, confirmations and stipulations of the Debtors in the Interim Order and this Final Order.

22. *DIP Lenders' Right to Credit Bid.* The DIP Lenders through the DIP Agent shall have the right to "credit bid" the full amount of their claims, including without limitation, claims on account of outstanding principal, interest and any other amounts due and owing under the DIP Credit Agreement, during any sale of all or substantially all of the Debtors' assets, including without limitation, sales occurring pursuant to section 363 of the Bankruptcy Code or included as part of any restructuring plan subject to confirmation under section1129(b)(2)(A)(iii) of the Bankruptcy Code.

23. *Prepetition First Lien Lenders' Right to Credit Bid.* The Prepetition First Lien Lenders through the Prepetition First Lien Agent shall have the right to "credit bid" the full amount of their claims, including without limitation, claims on account of outstanding principal, interest and any other amounts due and owing under the Prepetition First Lien Credit Agreement,

pursuant to sections 363(k) and/or 1129(b) of the Bankruptcy Code (as applicable), during any sale of all or substantially all of the Debtors' assets, including without limitation, sales occurring pursuant to section 363 of the Bankruptcy Code or included as part of any restructuring plan subject to confirmation under section 1129(b)(2)(A)(ii)-(iii) of the Bankruptcy Code (subject to the consent of the Required Lenders, unless all DIP Obligations have been paid in full in cash or other otherwise satisfied in accordance with the DIP Loan Documents and all Commitments have been terminated in their entirety).

24. *Limitation on Use of Financing Proceeds and Collateral.* The Debtors have released and waived any and all claims and causes of action against (a) the DIP Agents, the DIP Issuing Bank and the DIP Lenders and (b) subject to paragraph 21 of this Final Order, the Prepetition Agents, the Prepetition Issuing Banks, the Prepetition Lenders and the Prepetition Lead Arrangers, and in each case, their respective agents, affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors, each in their capacities as such, directly related to the Financing, the Interim Order, this Final Order or the negotiation of the terms thereof. Notwithstanding anything herein or in any other order by this Court to the contrary, no borrowings or letters of credit under the DIP Credit Agreement, Collateral, Cash Collateral, Prepetition Collateral or the Carve-Out may be used to: (a) object, contest or raise any defense to, the validity, perfection, priority, extent or enforceability of any amount due under the Interim Order, this Final Order, the DIP Documents or the Prepetition Agreements, or the liens or claims granted under the Interim Order, this Final Order, the DIP Documents or the Prepetition Agreements; (b) assert any Claims or Defenses or causes of action against any of the DIP Agents, the DIP Issuing Bank, the DIP Lenders, the Prepetition Agents, the Prepetition Lenders, the Prepetition Lead Arrangers, the Prepetition Issuing Banks or their respective agents,

affiliates, subsidiaries, directors, officers, representatives, attorneys or advisors; (c) oppose any of the DIP Agents' or the Prepetition First Lien Agent's assertion, enforcement or realization on the Collateral or Cash Collateral in accordance with the DIP Documents, the Prepetition First Lien Agreements, the Interim Order or this Final Order; (d) seek to modify any of the rights granted to any of the DIP Agents, the DIP Issuing Bank, the DIP Lenders, the Prepetition Agents, the Prepetition Lenders, the Prepetition Issuing Banks and the Prepetition Lead Arrangers hereunder or under the DIP Documents or the Prepetition Agreements, in each of the foregoing cases without such parties' prior written consent; or (e) unless such payments are approved by an order of this Court and otherwise permitted by the DIP Credit Agreement and the Approved DIP Budget, pay any amount on account of any claims arising prior to the Petition Date; provided that, up to $100,000 of Cash Collateral and proceeds of the Financing in the aggregate may be used to pay the allowed fees and expenses of professionals retained by the Committee incurred directly in connection with investigating, but not filing, any Claims and Defenses against the Prepetition Agents, the Prepetition Issuing Banks or the Prepetition Lenders. In the event a Successful Challenge Order is obtained, this Court shall fashion an appropriate remedy after hearing from all parties in interest, which remedy may include, but is not limited to, a reduction in the amount of the Prepetition First Lien Debt on account of the payment of the fees and expenses provided in paragraphs 16(c) and (d) hereof, or reduction or elimination of the Consent Fee; provided, that the DIP Agents, the DIP Lenders, the Prepetition First Lien Agent and the Prepetition First Lien Lenders shall have the right to assert that all fees and expense reimbursements paid by the Debtors pursuant to paragraphs 16(c) and (d) of this Final Order were properly characterized as Adequate Protection and should not be applied to the

principal obligations under the Prepetition First Lien Credit Agreement, and the Committee shall have the right to assert the contrary.

25. *Modifications of, and Waivers under, the DIP Documents.* The Debtors, the DIP Agents and the DIP Lenders are hereby authorized to implement, in accordance with the terms of the DIP Documents, any non-material modifications (including without limitation, any change in the number or composition of the DIP Lenders or the DIP Agents) of the DIP Documents without further notice, motion or application to, order of or hearing before, this Court. Material modifications or amendments to the DIP Documents (including to extend or increase the amount of the DIP Loan) shall be filed with this Court and permitted upon order of this Court, which may be obtained upon certification of counsel, provided 10 days prior written notice of the material change(s) and of the opportunity to object thereto has been given to counsel for the Committee, the U.S. Trustee and the Prepetition First Lien Agent. The Debtors, the DIP Agents, the DIP Issuing Bank and the DIP Lenders shall be permitted to enter into waivers under the DIP Documents in accordance with the terms thereof without further order of this Court.

26. *Committee Information/Consultation.* The Debtors shall provide to counsel and the financial advisor to the Committee copies of all reports, information and other materials required to be provided to the DIP Agents, the DIP Lenders or the Prepetition First Lien Agent pursuant to the Loan Documents. The Debtors shall consult in good faith with the Committee regarding the Debtors' assessment of any qualified bids received by the Debtors or their advisors in connection with any sale process conducted by the Debtors.

27. *Proof of Claim.* Each of the Prepetition Agents is authorized (but not required) to file a master proof of claim against the Borrower and the Guarantors (the "**Master Proof of Claim**") on behalf of itself and the Prepetition First Lien Lenders and the Prepetition First Lien

Issuing Bank or the Prepetition Second Lien Lenders and the Prepetition Second Lien Issuing Bank, as applicable, on account of their prepetition claims arising under the Prepetition Agreements, as applicable. If either of the Prepetition Agents files a Master Proof of Claim against the Borrower and the Guarantors, each Prepetition Agent and each Prepetition Lender and each of their respective successors and assigns on whose behalf the Master Proof of Claim was filed, shall be deemed to have filed a proof of claim in the amount set forth opposite its name therein in respect of its claims against the Borrower and the Guarantors arising under the Prepetition Agreements, and the claims of each Prepetition Agent and each Prepetition Lender (and their respective successors and assigns) named in the Master Proof of Claim shall be allowed or disallowed as if such entity had filed a separate proof of claim in each Bankruptcy Case in the amount set forth opposite each name listed in the Master Proof of Claim. Each of the Prepetition Agents shall further be authorized to amend the Master Proof of Claim from time to time to, among other things, reflect a change in the holders of the claims set forth therein or a reallocation among such holders of the claims asserted therein resulting from any transfer of such claims. The provisions set forth in this paragraph 27 and any Master Proof of Claim filed pursuant to the terms hereof are intended solely for the purpose of administrative convenience and shall not affect the substantive rights of any party in interest or their respective successors in interest, including, without limitation, the rights of any Prepetition Agent or any Prepetition Lender as the holder of a claim against the Borrower and the Guarantors under applicable law.

28. *Order Governs*. In the event of any inconsistency between the provisions of this Final Order, the Interim Order and the DIP Documents, the provisions of this Final Order shall govern.

29. *Binding Effect; Successors and Assigns.* Subject to paragraph 21, the DIP Documents and the provisions of the Interim Order and this Final Order, including all findings herein, shall be binding upon all parties in interest in these Bankruptcy Cases, including, without limitation, the DIP Agents, the DIP Issuing Bank, the DIP Lenders, the Prepetition Agents, the Prepetition Issuing Banks, the Prepetition Lenders, the Prepetition Lead Arrangers, the Committee and the Debtors and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for the estate of any of the Debtors) and shall inure to the benefit of the DIP Agents, the DIP Issuing Bank, the DIP Lenders, the Prepetition Agents, the Prepetition Issuing Banks, the Prepetition Lenders, the Prepetition Lead Arrangers and the Debtors and their respective successors and assigns; provided, however, that the DIP Agents, the DIP Issuing Bank, and the DIP Lenders shall have no obligation to extend any financing to any chapter 7 trustee or similar responsible person appointed for the estates of the Debtors. In determining to make any loan under the DIP Credit Agreement or in exercising any rights or remedies as and when permitted pursuant to this Final Order or the DIP Documents, the DIP Agents, the DIP Issuing Bank and the DIP Lenders shall not be deemed to be in control of the operations of the Debtors or to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtors, so long as the DIP Lenders' actions do not constitute, within the meaning of 42 U.S.C. §§ 9601(20)(F), actual participation in the management or operational affairs of a vessel or facility owned or operated by a Debtor, or otherwise cause liability to arise to the federal or state government or the status of responsible person or managing agent to exist under applicable law (as such terms, or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq. as amended, or any similar federal or state statute).

30. *Effectiveness*. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062 or 9024 or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Final Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution of effectiveness of this Final Order as provided in such Rules.

Dated: February 14, 2012
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE