

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

1700 Pacific Avenue, Suite 4100
Dallas, Texas 75201
(214) 969-2800 (Telephone)
(214) 969-4343 (Facsimile)
Sarah Link Schultz

Counsel to the TSC Debtors

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

_____)	
In re:)	Chapter 11
)	
TERRESTAR CORPORATION, <i>et al.</i> , ¹)	Case No. 11-10612 (SHL)
)	
Debtors.)	Jointly Administered
_____)	

THIRD AMENDED JOINT CHAPTER 11 PLAN OF TERRESTAR CORPORATION, MOTIENT COMMUNICATIONS INC., MOTIENT HOLDINGS INC., MOTIENT LICENSE INC., MOTIENT SERVICES INC., MOTIENT VENTURES HOLDING INC., MVH HOLDINGS INC., TERRESTAR HOLDINGS INC. AND TERRESTAR NEW YORK INC.

<p>THIS CHAPTER 11 PLAN IS BEING SUBMITTED FOR APPROVAL BY THE BANKRUPTCY COURT. THIS CHAPTER 11 PLAN HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. ACCORDINGLY, THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE CHAPTER 11 PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT.</p>
--

Dated: June 27, 2012

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal taxpayer identification number, are: TerreStar Corporation (6127); 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 Holdings Inc. (0778); and TerreStar New York Inc. (6394).

TABLE OF CONTENTS

ARTICLE I. DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME AND GOVERNING LAW 1

 A. Defined Terms 1

 B. Rules of Interpretation 12

 C. Computation of Time 13

 D. Governing Law 13

 E. Reference to Monetary Figures 13

ARTICLE II. ADMINISTRATIVE CLAIMS, DIP CLAIMS, U.S. TRUSTEE FEES AND PRIORITY TAX CLAIMS 13

 A. Administrative Claims 14

 B. DIP Claims 15

 C. U.S. Trustee Fees 15

 D. Priority Tax Claims 15

ARTICLE III. CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS 16

 A. General Rules of Classification 16

 B. Summary of Classification 16

 C. Treatment of Claims and Equity Interests 17

ARTICLE IV. ACCEPTANCE REQUIREMENTS 23

 A. Acceptance or Rejection of the Plan 23

 B. Confirmation Pursuant to Bankruptcy Code Sections 1129(a)(10) and 1129(b) 23

ARTICLE V. MEANS FOR IMPLEMENTATION OF THE PLAN 23

 A. Exit Facility 23

 B. Sources of Consideration for Plan Distributions 24

 C. Issuance of New Securities and Debt Instruments 24

 D. Cancellation of Securities and Agreements 24

 E. Listing of the New Common Stock and Transfer Restrictions 25

 F. Section 1145 Exemption 25

 G. Corporate Existence 25

 H. New Certificate of Incorporation and New By-laws 26

 I. Reorganized TSC Debtors’ Boards of Directors 26

 J. Officers of Reorganized TSC Debtors 26

 K. Vesting of Assets in the Reorganized TSC Debtors 26

 L. Restructuring Transactions 27

 M. Corporate Action 27

 N. Effectuating Documents; Further Transactions 27

 O. General Settlement of Claims and Equity Interests 28

 P. Section 1146 Exemption from Certain Taxes and Fees 28

 Q. D&O Liability Insurance Policies and Indemnification Provisions 28

 R. Preservation of Rights and Causes of Action 29

 S. Payment of Fees and Expenses of Bridge Loan Agent 29

ARTICLE VI. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES 29

 A. Assumption and Rejection of Executory Contracts and Unexpired Leases 29

 B. Cure of Defaults for Executory Contracts and Unexpired Leases Assumed 30

 C. Claims Based on Rejection of Executory Contracts or Unexpired Leases 30

 D. Insurance Policies 31

 E. Modifications, Amendments, Supplements, Restatements or Other Agreements 31

 F. Reservation of Rights 31

 G. Contracts and Leases Entered into After the Petition Date 31

ARTICLE VII. PROVISIONS GOVERNING DISTRIBUTIONS 32

 A. Record Date for Distributions 32

 B. Timing and Calculation of Amounts to Be Distributed 32

C.	Fractional Distributions.....	32
D.	Disbursing Agent	32
E.	Rights and Powers of Disbursing Agent	33
F.	Distributions to Holders of Disputed Claims	33
G.	Delivery of Distributions and Undeliverable or Unclaimed Distributions	33
H.	Hart-Scott-Rodino Compliance.....	34
I.	Withholding and Reporting Requirements.....	34
J.	Setoffs	34
K.	Claims Paid or Payable by Third Parties.....	34
L.	Post-petition Interest	35
M.	Section 506(c) Reservation	35
N.	Single Satisfaction of Claims.....	35
ARTICLE VIII. PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED AND DISPUTED CLAIMS		35
A.	Prosecution of Objections to Claims	35
B.	Allowance of Claims.....	36
C.	Claims Reserve	36
D.	Distributions After Allowance	36
E.	Distribution of Excess Amounts in the Disputed Claims Reserve	36
F.	Property Held in the Disputed Claims Reserve.....	36
G.	Estimation of Claims.....	36
H.	Deadline to File Objections to Claims	37
ARTICLE IX. SETTLEMENT, RELEASE, INJUNCTION AND RELATED PROVISIONS		37
A.	Releases by the TSC Debtors.....	37
B.	Releases by Holders of Claims and Equity Interests.....	37
C.	Exculpation	38
D.	Discharge of Claims and Termination of Equity Interests	38
E.	Injunction	38
F.	Term of Injunctions or Stays.....	40
G.	Injunction Against Interference with Plan	40
H.	Injunction Related to Releases and Exculpation	40
I.	Protection Against Discriminatory Treatment	40
J.	Release of Liens	40
K.	Releases Applicable to United States Government.....	40
ARTICLE X. CONDITIONS PRECEDENT TO CONFIRMATION OF THE PLAN AND THE EFFECTIVE DATE.....		41
A.	Conditions Precedent to Confirmation.....	41
B.	Conditions Precedent to the Effective Date	41
C.	Waiver of Conditions	42
D.	Effect of Failure of Conditions	42
ARTICLE XI. MODIFICATION, REVOCATION OR WITHDRAWAL OF THE PLAN.....		42
A.	Modification and Amendments.....	42
B.	Effect of Confirmation on Modifications.....	43
C.	Revocation or Withdrawal of the Plan	43
ARTICLE XII. RETENTION OF JURISDICTION.....		43
ARTICLE XIII. MISCELLANEOUS PROVISIONS		45
A.	Immediate Binding Effect.....	45
B.	Additional Documents	45
C.	Payment of Fees and Expenses of Each DIP Lender	45
D.	Dissolution of Statutory Committees, If Any.....	45
E.	Successors and Assigns.....	46
F.	Service of Documents	46
G.	Entire Agreement	46

H.	Severability of Plan Provisions	46
I.	Exhibits	47
J.	Votes Solicited in Good Faith.....	47
K.	Closing of Chapter 11 Cases	47
L.	Conflicts.....	47

INTRODUCTION

TerreStar Corporation, Motient Communications Inc., Motient Holdings Inc., Motient License Inc., Motient Services Inc., Motient Ventures Holding Inc., MVH Holdings Inc., TerreStar Holdings Inc. and TerreStar New York Inc. respectfully propose the following joint chapter 11 plan of reorganization. Capitalized terms used in the Plan and not otherwise defined shall have the meanings ascribed to such terms in Article I.A hereof.

ARTICLE I.

DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME AND GOVERNING LAW

A. *Defined Terms*

Unless the context otherwise requires, the following terms shall have the following meanings when used in capitalized form:

1. “*1.4 Holdings*” means TerreStar 1.4 Holdings LLC.
2. “*1.4 Spectrum*” means the 1.4 GHz terrestrial spectrum that 1.4 Holdings has the rights to use pursuant to 64 licenses issued by the FCC.
3. “*Accrued Professional Compensation*” means, at any given moment, all accrued, contingent and/or unpaid fees (including success fees) for legal, financial advisory, accounting and other services and obligations for reimbursement of expenses rendered or incurred before the Effective Date that are awardable and allowable under Bankruptcy Code sections 328, 330(a) or 331 by any retained Professional in the Chapter 11 Cases, or that are awardable and allowable under Bankruptcy Code section 503, that the Bankruptcy Court has not denied by a Final Order, all (a) to the extent that any such fees and expenses have not been previously paid and (b) after applying any retainer provided to such Professional and not yet applied. To the extent that the Bankruptcy Court or any higher court denies or reduces by a Final Order any amount of a Professional’s fees or expenses, then those reduced or denied amounts shall no longer constitute Accrued Professional Compensation.
4. “*Administrative Claim*” means any right to payment constituting a cost or expense of administration of the Chapter 11 Cases of the TSC Debtors of the kind specified in Bankruptcy Code section 503(b) and entitled to priority pursuant to Bankruptcy Code sections 507(a)(2) or 507(b), including, but not limited to: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the TSC Debtors, (b) compensation for legal, financial advisory, accounting and other services and reimbursement of expenses allowed pursuant to Bankruptcy Code sections 328, 330(a), 331 or 363 or otherwise for the period commencing on the Petition Date and through the Effective Date and (c) all fees and charges assessed against the Estates pursuant to chapter 123 of title 28 of the United States Code.
5. “*Administrative Claims Bar Date*” means the bar date for Administrative Claims as such term is defined in Article II.A.3 hereof.
6. “*Affiliate*” has the meaning set forth in Bankruptcy Code section 101(2).
7. “*Aggregate Effective Date Amount*” means the aggregate value of the consideration that would have been distributed to the holders of all Disputed Unsecured Claims if such Disputed Unsecured Claims had been Allowed Claims on the Effective Date, with the amount of each such Claim determined, for the purposes of establishing reserves, to be the Distribution Date Amount with respect to such Claim on the Effective Date.
8. “*Allowed Claim*,” “*Allowed [___] Claim*” (with respect to a specific type of Claim, if specified) or “*Allowed Equity Interest*” means, as applicable, any Claim or Equity Interest (or a portion thereof): (a) as to which no action to dispute, deny, equitably subordinate or otherwise limit recovery with respect thereto, or alter priority

thereof, has been filed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules or applicable law; (b) that is allowed (i) in any contract, instrument, indenture or other agreement entered into in connection with the Plan, (ii) pursuant to the terms of the Plan, (iii) by Final Order of the Bankruptcy Court or (iv) with respect to an Administrative Claim only (x) that was incurred by a TSC Debtor in the ordinary course of business during the Chapter 11 Cases of the TSC Debtors to the extent due and owing without defense, offset, recoupment or counterclaim of any kind and (y) that is not otherwise disputed; (c) any DIP Claim; or (d) any Preferred Series A TSC Interest and any Preferred Series B TSC Interest.

9. “*Amended Plan Supplement Filing Date*” means the date on which those documents contained in the Plan Supplement that have been amended, modified or supplemented are filed with the Bankruptcy Court, which date shall be at least 20 days prior to the Supplemental Voting Deadline or such later date as may be approved by the Bankruptcy Court; *provided, however*, that the identity of the initial members of the New Boards and the nature and compensation for any director who is an “insider” under the Bankruptcy Code known at the time shall be disclosed and filed with the Bankruptcy Court at least 10 days prior to the Confirmation Hearing or such later date as may be approved by the Bankruptcy Court.

10. “*Assumed Executory Contract and Unexpired Lease List*” means the list (as may be amended) of Executory Contracts and Unexpired Leases that will be assumed by the TSC Debtors pursuant to the provisions of Article VI hereof determined by the TSC Debtors, which were included in the Plan Supplement on the Initial Plan Supplement Filing Date; *provided, however*, that any amendment thereto shall be reasonably satisfactory in form and substance to each of the Designated Holders.

11. “*Bankruptcy Code*” means title 11 of the United States Code, as amended from time to time.

12. “*Bankruptcy Court*” means the United States Bankruptcy Court for the Southern District of New York having jurisdiction over the Chapter 11 Cases or any other court having jurisdiction over the Chapter 11 Cases, including, to the extent of the withdrawal of any reference under 28 U.S.C. § 157, the United States District Court for the Southern District of New York.

13. “*Bankruptcy Rules*” means the Federal Rules of Bankruptcy Procedure, as applicable to the Chapter 11 Cases, promulgated under section 2075 of title 28 of the United States Code, as well as the general and local rules of the Bankruptcy Court and the *Order Pursuant to Sections 105(a) and (d) of the Bankruptcy Code and Bankruptcy Rules 1015(c), 2002(m) and 9007 Implementing Certain Notice and Case Management Procedures* [Docket No. 12], as may be amended from time to time.

14. “*Bridge Lenders*” means the institutions party from time to time to the Bridge Loan Agreement as “Lenders,” each in their capacity as such.

15. “*Bridge Loan Agent*” means NexBank, SSB, as agent for the lenders under the Bridge Loan Agreement.

16. “*Bridge Loan Agreement*” means that certain Term Loan Credit Agreement, dated as of November 19, 2010, among TSC, as borrower, TS Holdings, as guarantor, the lenders party thereto and the Bridge Loan Agent.

17. “*Bridge Loan Claims*” means the Allowed Claims derived from or based upon the Bridge Loan Agreement, in a principal aggregate amount of \$4,281,578.95 plus accrued interest (including post-petition interest at the default contract rate), fees, costs, expenses (including attorneys’ fees and legal expenses), indemnification and other amounts due under the Bridge Loan Agreement.

18. “*Cash*” means the legal tender of the United States of America or the equivalent thereof.

19. “*Causes of Action*” means any action, claim, cause of action, controversy, demand, right, action, Lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, offset, power, privilege, license and franchise of any kind or character whatsoever of the TSC Debtors, known or unknown, contingent or noncontingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed,

secured or unsecured, assertable directly or derivatively, whether arising before, on or after the Petition Date, in contract or in tort, in law or in equity or pursuant to any other theory of law. Causes of Action also include: (a) any right of setoff, counterclaim or recoupment and any claim on contracts or for breaches of duties imposed by law or in equity, (b) the right to object to Claims or Equity Interests, (c) any claim pursuant to Bankruptcy Code section 362 or chapter 5 of the Bankruptcy Code, (d) any claim or defense including fraud, mistake, duress or usury and any other defenses set forth in Bankruptcy Code section 558, (e) any state law fraudulent transfer claim and (f) any claim set forth on the Schedule of Retained Causes of Action.

20. “*Chapter 11 Cases*” means (a) when used with reference to a particular TSC Debtor or subset of TSC Debtors, the chapter 11 case or cases pending for that TSC Debtor or those TSC Debtors under chapter 11 of the Bankruptcy Code in the Bankruptcy Court and (b) when used with reference to all TSC Debtors, the procedurally consolidated chapter 11 cases pending for the TSC Debtors in the Bankruptcy Court under Case No. 11-10612 (SHL).

21. “*Claim*” means any claim against a TSC Debtor as defined in Bankruptcy Code section 101(5).

22. “*Claims Reserve*” means the reserve to be created by the TSC Debtors to hold a contribution of New TSC Notes, which reserve shall be held for the benefit of holders of Allowed Unsecured Claims, for distribution according to the procedures set forth in Article VII and Article VIII.

23. “*Class*” means a category of holders of Claims or Equity Interests as set forth in Article III.

24. “*Confirmation*” means the entry of the Confirmation Order on the docket of the Chapter 11 Cases of the TSC Debtors.

25. “*Confirmation Date*” means the date upon which the Bankruptcy Court enters the Confirmation Order on the docket of the Chapter 11 Cases of the TSC Debtors within the meaning of Bankruptcy Rules 5003 and 9021.

26. “*Confirmation Hearing*” means the hearing held by the Bankruptcy Court concerning Confirmation of the Plan pursuant to Bankruptcy Code section 1129, as such hearing may be continued from time to time.

27. “*Confirmation Order*” means the order entered by the Bankruptcy Court confirming the Plan pursuant to Bankruptcy Code section 1129.

28. “*Convenience Claim*” means any Claim against either TSC or TS Holdings that would otherwise be an Unsecured Claim that is Allowed in the Convenience Claim Amount or less.

29. “*Convenience Claim Amount*” means \$35,000.00.

30. “*Creditors’ Committee*” means the statutory committee of unsecured creditors appointed by the U.S. Trustee in the Chapter 11 Cases of the TSC Debtors pursuant to Bankruptcy Code section 1102, if any, as such committee membership may be reconstituted from time to time.

31. “*Cure Claim*” means a Claim based upon a monetary default, if any, by any TSC Debtor on an Executory Contract or Unexpired Lease at the time such contract or lease is assumed by such TSC Debtor pursuant to Bankruptcy Code sections 365 or 1123.

32. “*D&O Liability Insurance Policies*” means all insurance policies of any of the TSC Debtors for directors’, managers’ and officers’ liability, as set forth on the Schedule of Insurance Policies to be included in the Plan Supplement.

33. “*Designated Holders*” means Highland, Solus and West Face, each in their capacity as holders of TSC Series A Preferred Shares or TSC Series B Preferred Shares, *provided* that any party holding less than the Minimum Holding Requirement shall not be considered a Designated Holder.

34. “*DIP Agent*” means NexBank, SSB, or its duly appointed successor, in its capacity as administrative agent and collateral agent under the DIP Loan Agreement.

35. “*DIP Claims*” means the Claims derived from or based upon the DIP Loan Agreement, if any.

36. “*DIP Financing Order*” means that *Order (A) Authorizing the February Debtors To Obtain Postpetition Financing and (B) Authorizing the February Debtors To Use Cash Collateral* [Docket No. ___].

37. “*DIP Lenders*” means Highland, Solus, Och-Ziff, West Face, and each other institution party from time to time to the DIP Loan Agreement as a “Lender,” in its capacity as such.

38. “*DIP Loan Agreement*” means that certain Senior Secured Super-priority Debtor in Possession Term Loan Credit Agreement, dated as of June [___], 2012, by and among TSC and TS Holdings, as borrowers, Motient Ventures Holdings Inc., as guarantor, the DIP Agent and the DIP Lenders, as such agreement may be amended, modified, ratified, extended, renewed or restated, as well as any other documents entered into in connection therewith.

39. “*Disallowed*” means a finding of the Bankruptcy Court in a Final Order or provision in the Plan providing that a Disputed Claim or Equity Interest shall not become an Allowed Claim or Equity Interest.

40. “*Disbursing Agent*” means the Reorganized TSC Debtors or the Entity or Entities chosen by the Reorganized TSC Debtors to make or facilitate distributions pursuant to the Plan.

41. “*Disclosure Statement*” means the disclosure statement, prepared in accordance with the Bankruptcy Code, the Bankruptcy Rules and other applicable law, that relates to this Plan, as such disclosure statement may be amended, modified or supplemented (including all exhibits and schedules annexed thereto or referred to therein), as approved by the Bankruptcy Court pursuant to Bankruptcy Code section 1125.

42. “*Disputed Claim*” or “*Disputed [___] Claim*” (with respect to a specific type of Claim, if specified) means a Claim that is not an Allowed Claim and that has not been Disallowed as of the relevant date.

43. “*Distribution Date*” means any of the Initial Distribution Date or the Periodic Distribution Dates.

44. “*Distribution Date Amount*” means, with respect to any Disputed Unsecured Claim on the Effective Date or any Distribution Date, the least of (a) the asserted amount of such Disputed Unsecured Claim filed with the Bankruptcy Court or (if no proof of such Claim was filed) scheduled by the TSC Debtors, (b) the amount, if any, estimated by the Bankruptcy Court pursuant to Bankruptcy Code section 502(c) pursuant to Article VIII.G or (c) the amount otherwise agreed to by the TSC Debtors and the holder of such Disputed Unsecured Claim for reserve purposes.

45. “*Distribution Record Date*” means the date that the Confirmation Order is entered by the Bankruptcy Court.

46. “*Effective Date*” means the first business day after which all provisions, terms and conditions specified in Article X.B have been satisfied or waived pursuant to Article X.C.

47. “*Entity*” has the meaning set forth in Bankruptcy Code section 101(15).

48. “*Equity Interests*” means any equity security in a TSC Debtor as such term is defined in Bankruptcy Code section 101(16), including all issued, unissued, authorized or outstanding shares of capital stock of the TSC Debtors together with any warrants, options or contractual rights to purchase or acquire such equity

securities at any time and all rights arising with respect thereto. For the avoidance of doubt, with respect to TSC, the Equity Interests shall include the Preferred TSC Interests.

49. “*Estate*” means, as to each TSC Debtor, the estate created for such TSC Debtor in its Chapter 11 Case pursuant to Bankruptcy Code section 541.

50. “*Exculpated Claim*” means any claim related to any act or omission in connection with, relating to or arising out of the TSC Debtors’ restructuring efforts, the TSC Debtors’ Chapter 11 Cases, formulation, preparation, dissemination, negotiation or filing of the Disclosure Statement, Plan, DIP Loan Agreement or any contract, instrument, release or other agreement or document created or entered into in connection with the Disclosure Statement or the Plan, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of consummation of the Plan, the administration and implementation of the Plan, including the issuance of the New Common Stock, or the distribution of property under the Plan or any other related agreement; *provided, however*, that Exculpated Claims shall not include any act or omission that is determined in a Final Order to have constituted gross negligence, willful misconduct or fraud. For the avoidance of doubt, no Cause of Action, obligation or liability expressly set forth in or preserved by the Plan or the Schedule of Retained Causes of Action constitutes an Exculpated Claim.

51. “*Exculpated Party*” means each of: (a) the TSC Debtors and the Reorganized TSC Debtors, (b) the Creditors’ Committee and the current and former members thereof, in their capacity as such, (c) each DIP Lender, solely in such lender’s capacity as such, (d) the DIP Agent, solely in such agent’s capacity as such, (e) each Bridge Lender, solely in such lender’s capacity as such, (f) the Bridge Loan Agent, solely in such agent’s capacity as such and (g) with respect to each of the foregoing Entities in clauses (a), (b), (c), (d), (e) and (f), such Entities’ affiliates, members, officers, directors, agents, financial advisors, accountants, investment bankers, consultants, attorneys, employees, partners and representatives, in each case solely in their capacity as such; *provided, however*, that the TSN Debtors shall not be exculpated parties.

52. “*Executory Contracts*” means contracts to which one or more of the TSC Debtors are party that are subject to assumption or rejection under Bankruptcy Code section 365.

53. “*Exit Facility*” means a senior secured credit facility in an aggregate principal amount equal to not less than \$15 million less the amount of Cash on the TSC Debtors’ balance sheet as of the Effective Date, with terms and conditions substantially similar to those found in the Exit Financing Term Sheet and that shall be in form and substance reasonably acceptable to each of the Designated Holders.

54. “*Exit Facility Agreement*” means a credit agreement, dated on or after the Effective Date, by and among Reorganized TSC and the lender or lenders party thereto with respect to the Exit Facility, as the same may be subsequently amended, restated, amended and restated, supplemented or otherwise modified from time to time, together with all instruments and agreements related thereto, with terms and conditions substantially similar to those found in the Exit Financing Term Sheet and that shall be in form and substance reasonably acceptable to each of the Designated Holders.

55. “*Exit Facility Documents*” means the Exit Facility Agreement and all other related agreements, documents or instruments to be executed or delivered in connection therewith, with terms and conditions substantially similar to those found in the Exit Financing Term Sheet and that shall be in form and substance reasonably acceptable to each of the Designated Holders.

56. “*Exit Facility Lenders*” means the lender or lenders from time to time under the Exit Facility.

57. “*Exit Financing Term Sheet*” means the Exit Financing Term Sheet, providing for a senior secured credit facility of up to an aggregate principal amount equal to not less than \$15 million less the amount of Cash on the TSC Debtors’ balance sheet as of the Effective Date, which shall be in form and substance reasonably acceptable to each of the Designated Holders, a copy of which is attached as an exhibit to the Disclosure Statement.

58. “*FCC*” means the Federal Communications Commission and any successor governmental agency performing functions similar to those performed by the Federal Communications Commission on the Effective Date.

59. “*FCC Approval*” means an action by the FCC (including any action duly taken by the FCC’s staff pursuant to delegated authority) granting its consent to the ultimate and indirect transfer of control to the Designated Holders of 1.4 Holdings, the holder of 64 licenses issued by the FCC to use the 1.4 Spectrum.

60. “*February Debtors*” means TSC and TS Holdings.

61. “*Final Order*” means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction with respect to the relevant subject matter, (a) that has not been reversed, stayed, modified or amended and (b) as to which the time to appeal or seek certiorari has expired and no appeal or petition for certiorari has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be filed has been resolved by the highest court to which the order or judgment could be appealed or from which certiorari could be sought or the new trial, reargument or rehearing shall have been denied, resulted in no modification of such order or has otherwise been dismissed with prejudice.

62. “*Harbinger*” means Harbinger Capital Partners LLC, on behalf of its affiliated and managed funds.

63. “*Highland*” means Highland Capital Management, L.P., on behalf of its affiliated and managed funds.

64. “*Holdback Amount*” means, with respect to Accrued Professional Compensation, amounts held back pursuant to an order or orders of the Bankruptcy Court in the Chapter 11 Cases, including the Interim Compensation Order.

65. “*Holdback Amount Reserve*” means, with respect to Accrued Professional Compensation, a reserve established by the Reorganized TSC Debtors on the Effective Date for the benefit of the Professionals, and to be held in trust for the Professionals, for the payment of the Holdback Amount.

66. “*Impaired*” has the meaning set forth in Bankruptcy Code section 1124.

67. “*Impaired Class*” means a Class of Claims or Equity Interests that is Impaired.

68. “*Indemnification Provisions*” means each of the indemnification provisions, agreements or obligations in place as of the Petition Date, whether in the bylaws, certificates of incorporation or other formation documents in the case of a limited liability company, board resolutions or employment contracts, for the TSC Debtors and the current and former directors, officers, members (including *ex officio* members), employees, attorneys, other professionals and agents of the TSC Debtors.

69. “*Initial Distribution Date*” means the date occurring on or as soon as reasonably practicable after the Effective Date, but no later than 180 days after the Effective Date, when distributions under the Plan shall commence; *provided* that the Initial Distribution Date may be extended beyond 180 days after the Effective Date by order of the Bankruptcy Court.

70. “*Initial Plan Supplement Filing Date*” means February 3, 2012.

71. “*Initial Voting Deadline*” means 5:00 p.m. (prevailing Eastern Time) on February 24, 2012.

72. “*Insurance Policy*” means an insurance policy of the TSC Debtors, as set forth on the Schedule of Insurance Policies that was filed as part of the Plan Supplement.

73. “*Intercompany Claim*” means any Claim held by a TSC Debtor against another TSC Debtor. The TSC Debtors have included a schedule listing all Intercompany Claims in the Plan Supplement.

74. “*Intercompany Funding Claim*” means the Intercompany Claim asserted by TSC against TSN in the aggregate amount of \$56,875,342 on account of, among other things, funding made by TSC to TSN in 2009, as evidenced by five promissory notes due in 2014, each in the face amount of \$10,000,000 and each bearing a fixed interest rate of 15% per year [TSN Claim No. 20].

75. “*Interim Compensation Order*” means the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* (Case No. 10-15446, Docket No. 174) entered on the TSN Docket and made applicable to the TSC Debtors’ Chapter 11 Cases by the *Order Directing That Certain Orders in the Chapter 11 Cases of TerreStar Networks Inc., et al. Be Made Applicable to the Chapter 11 Cases of TerreStar Corporation and TerreStar Holdings Inc. Nunc Pro Tunc to the Petition Date* (Docket No. 13).

76. “*Lien*” has the meaning set forth in Bankruptcy Code section 101(37).

77. “*Minimum Holding Requirement*” means an aggregate of 15% of the face amount of total outstanding TSC Series A Preferred Shares and TSC Series B Preferred Shares.

78. “*New Board*” means, with respect to each Reorganized TSC Debtor, the initial board of directors of such Entity appointed as of the Effective Date, the members of which shall be determined in accordance with Article V.I.

79. “*New By-laws*” means, with respect to each Reorganized TSC Debtor, the new by-laws of such Entity, the form of which was included in the Plan Supplement on the Initial Plan Supplement Filing Date, *provided, however*, that any amendment thereto shall be reasonably satisfactory in form and substance to each of the Designated Holders.

80. “*New Certificate of Incorporation*” means, with respect to each Reorganized TSC Debtor, the initial certificate of incorporation (or other applicable formation document) of each such Entity, the form of which was included in the Plan Supplement on the Initial Plan Supplement Filing Date, *provided, however*, that any amendment thereto shall be reasonably satisfactory in form and substance to each of the Designated Holders.

81. “*New Common Stock*” means the shares of common stock of Reorganized TSC authorized under the New Certificate of Incorporation of Reorganized TSC.

82. “*New Corporate Governance Documents*” means the New Certificates of Incorporation, the New Stockholders Agreement and the New By-laws, *provided, however*, that any amendment thereto shall be reasonably satisfactory in form and substance to each of the Designated Holders.

83. “*New Stockholders Agreement*” means that certain agreement to be executed on or before the Effective Date providing for, among other things, the rights and obligations of the holders of the New Common Stock that are party thereto, the form of which was filed as part of the Plan Supplement on the Initial Plan Supplement Filing Date, *provided, however*, that any amendment thereto shall be reasonably satisfactory in form and substance to each of the Designated Holders.

84. “*New TSC Notes*” means new notes to be issued by TSC on the Effective Date, the terms of which are set forth in the *First Supplement to the Second Amended Disclosure Statement for the Third Amended Joint Chapter 11 Plan* (the “*First Disclosure Statement Supplement*”), filed by the TSC Debtors contemporaneously herewith,² and the form of which shall be reasonably satisfactory in form and substance to each of the Designated Holders.

85. “*Non-debtor Affiliate*” means any Affiliate of the TSC Debtors that is not a TSC Debtor.

² The term sheet setting forth the original terms of the New TSC Notes was filed by the TSC Debtors on the Initial Plan Supplement Filing Date as part of the Plan Supplement.

86. “*Notice and Claims Agent*” means the Garden City Group, Inc., located at P.O. Box 9680, Dublin, Ohio 43017-4980, (888) 872-9182, retained as the TSC Debtors’ notice, claims and solicitation agent.

87. “*Och-Ziff*” means Och-Ziff Capital Management Group LLC and its affiliates.

88. “*Ordinary Course Professional Order*” means the *Order Authorizing the Debtors’ Retention and Compensation of Certain Professionals Utilized in the Ordinary Course of Business* (Case No. 10-15446, Docket No. 173) entered on the TSN Docket and made applicable to these cases by the *Order Directing That Certain Orders in the Chapter 11 Cases of TerreStar Networks Inc., et al. Be Made Applicable to the Chapter 11 Cases of TerreStar Corporation and TerreStar Holdings Inc. Nunc Pro Tunc to the Petition Date* (Docket No. 13).

89. “*Other Equity Interests*” means the Equity Interests other than the Preferred TSC Interests and the Other TSC Equity Interests.

90. “*Other Preferred TSC Interests*” means the TSC Series C Preferred Shares, TSC Series D Preferred Shares and TSC Series E Preferred Shares.

91. “*Other Priority Claim*” means any Claim accorded priority in right of payment under Bankruptcy Code section 507(a), other than: (a) an Administrative Claim; (b) a DIP Claim; or (c) a Priority Tax Claim.

92. “*Other Secured Claims*” means a Secured Claim against the TSC Debtors, other than the Bridge Loan Claims and the DIP Claims.

93. “*Other TSC Debtors*” means TerreStar New York Inc., Motient Communications Inc., Motient Holdings Inc., Motient License Inc., Motient Services Inc., Motient Ventures Holding Inc. and MVH Holdings Inc.

94. “*Other TSC Equity Interests*” means the Equity Interests in TSC other than the Preferred TSC Interests.

95. “*Periodic Distribution Date*” means, unless otherwise ordered by the Bankruptcy Court, the first Business Day that is 120 days after the Initial Distribution Date, and for the first year thereafter, the first Business Day that is 120 days after the immediately preceding Periodic Distribution Date. After one year following the Initial Distribution Date, the Periodic Distribution Date will occur on the first Business Day that is 180 days after the immediately preceding Periodic Distribution Date. Notwithstanding the foregoing, if the Disbursing Agent determines, in his sole discretion, that there are not sufficient distributions to be made on a date that would otherwise be a Periodic Distribution Date, then the Periodic Distribution Date shall be on the last business day of the subsequent calendar quarter.

96. “*Person*” has the meaning set forth in Bankruptcy Code section 101(41).

97. “*Petition Date*” means October 19, 2010 with respect to the Other TSC Debtors and February 16, 2011 with respect to the February Debtors.

98. “*Plan*” means this *Joint Chapter 11 Plan of TerreStar Corporation, Motient Communications Inc., Motient Holdings, Inc., Motient License Inc., Motient Services Inc., Motient Ventures Holding Inc., MVH Holdings Inc., TerreStar Holdings Inc. and TerreStar New York Inc.* and all exhibits hereto, including the Plan Supplement, which is incorporated herein by reference, each with any amendments, modifications or addendums.

99. “*Plan Supplement*” means the compilation of documents and forms of documents, schedules and exhibits to the Plan that were filed by the TSC Debtors on the Initial Plan Supplement Filing Date, as the same may be amended, modified or supplemented and including, without limitation, the following: (a) the New Corporate Governance Documents, (b) the identity of the known members of the New Boards and the nature and compensation for any director who is an “insider” under the Bankruptcy Code, (c) the Assumed Executory Contract and Unexpired Lease List, (d) the Rejected Executory Contract and Unexpired Lease List, (e) the Registration Rights Agreement, (f) the Schedule of Retained Causes of Action, (g) the Schedule of Insurance Policies, (h) a schedule of

Intercompany Claims, (i) the New TSC Notes and the indenture with respect thereto, (j) the Exit Financing Term Sheet, (k) a description of the Restructuring Transactions and (l) all exhibits, attachments, supplements, annexes, schedules and ancillary documents related to each of the foregoing. For the avoidance of doubt, West Face Long Term Opportunities Global Master L.P. shall be substituted for Harbinger Capital Partners LLC in each Plan Supplement Document that is in effect after the Effective Date.

100. “*Plan Supplement Filing Date*” means the Initial Plan Supplement Filing Date or the Amended Plan Supplement Filing Date, as applicable.

101. “*Preferred Series A TSC Interests*” means the TSC Series A Preferred Shares.

102. “*Preferred Series B TSC Interests*” means the TSC Series B Preferred Shares.

103. “*Preferred Series C TSC Interests*” means the TSC Series C Preferred Shares.

104. “*Preferred Series D TSC Interests*” means the TSC Series D Preferred Shares.

105. “*Preferred Series E TSC Interests*” means the TSC Series E Preferred Shares.

106. “*Preferred TSC Interests*” means the Preferred Series A TSC Interests, Preferred Series B TSC Interests and the Other Preferred TSC Interests.³

107. “*Priority Tax Claim*” means any Claim of a governmental unit, as defined in Bankruptcy Code section 101(27), of the kind specified in Bankruptcy Code section 507(a)(8).

108. “*Pro Rata*” means, as applicable: (a) the proportion that an Allowed Claim or Equity Interest in a particular Class bears to the aggregate amount of Allowed Claims or Equity Interests in that Class or (b) the proportion that all Allowed Claims or Equity Interests in a particular Class bear to the aggregate amount of Allowed Claims or Equity Interests in such Class and other Classes entitled to share in the same recovery under the Plan. For the avoidance of doubt, Pro Rata share with respect to the Preferred Series A TSC Interests and the Preferred Series B TSC Interests shall be determined only by reference to the Series A Liquidation Amount and the Series B Liquidation Amount respectively, as such terms are defined in the certificates of designation pertaining to the TSC Series A Preferred Shares and the TSC Series B Preferred Shares, due and owing with respect to such Equity Interests.

109. “*Professional*” means an Entity: (a) retained pursuant to a Final Order in accordance with Bankruptcy Code section 327, 363 or 1103 and to be compensated for services rendered before or on the Effective Date, pursuant to Bankruptcy Code sections 327, 328, 329, 330, 331 and 363 or (b) awarded compensation and reimbursement by the Bankruptcy Court pursuant to Bankruptcy Code section 503(b)(4).

110. “*Proof of Claim*” means a proof of Claim filed against any of the TSC Debtors in the Chapter 11 Cases.

111. “*Registration Rights Agreement*” means the Registration Rights Agreement, dated as of the Effective Date, among Reorganized TSC, the Designated Holders and any other holder of New Common Stock, that TSC and all of the Designated Holders agree to be party thereto (if any), the form of which was included in the Plan Supplement on the Initial Plan Supplement Filing Date; *provided, however*, that any amendment thereto shall be reasonably satisfactory in form and substance to each of the Designated Holders.

³ References in the Plan and Disclosure Statement to any combination of the various series of the Preferred TSC Interests shall have the same meaning as if each such series were listed out separately. For example, a reference to the Preferred Series A and B TSC Interests shall have the same meaning as a reference to each of the Preferred Series A TSC Interests and the Preferred Series B TSC Interests.

112. “*Rejected Executory Contract and Unexpired Lease List*” means the list (as may be amended) of Executory Contracts and Unexpired Leases that will be rejected by the TSC Debtors pursuant to the provisions of Article VI hereof determined by the TSC Debtors, which was included in the Plan Supplement on the Initial Plan Supplement Filing Date; *provided, however*, that any amendment thereto shall be reasonably satisfactory in form and substance to each of the Designated Holders.

113. “*Rejection Claim*” means a Claim arising from the rejection of an Executory Contract or Unexpired Lease pursuant to Bankruptcy Code section 365.

114. “*Released Party*” means each of (in each case solely in their respective capacities): (a) the DIP Lenders; (b) the DIP Agent; (c) the Bridge Lenders; (d) the Bridge Loan Agent; (e) each holder of Preferred Series A TSC Interests; (f) each holder of Preferred Series B TSC Interests; (g) with respect to each of the foregoing Entities in clauses (a) through (f), such Entities’ current and former subsidiaries, affiliates, members, officers, directors, agents, financial advisors, accountants, investment bankers, consultants, attorneys, employees, partners and representatives, in each case, only in their capacity as such; and (h) the current officers, directors, agents, financial advisors, accountants, investment bankers, consultants, attorneys, employees, partners and representatives of the TSC Debtors, in each case, only in their capacity as such.

115. “*Releasing Parties*” means all Entities that have held, hold or may hold Claims or Equity Interests that have been released pursuant to Article IX.A or Article IX.B, have been discharged pursuant to Article IX.D or are subject to exculpation pursuant to Article IX.C.

116. “*Reorganized*” means, with respect to the TSC Debtors, any TSC Debtor or any successor thereto, by merger, consolidation or otherwise, on or after the Effective Date.

117. “*Requisite Designated Holders*” means two or more Designated Holders collectively holding more than thirty-five (35%) of the face amount of total outstanding TSC Series A Preferred Shares and TSC Series B Preferred Shares; *provided* that if, at any time, there is only one Designated Holder, the consent of such Designated Holder shall be sufficient.

118. “*Restructuring Transaction*” means a dissolution or winding up of the corporate existence of a TSC Debtor or the consolidation, merger, restructuring, conversion, dissolution, transfer, liquidation, contribution of assets or other transaction pursuant to which a Reorganized TSC Debtor merges with or transfers substantially all of its assets and liabilities to a Reorganized TSC Debtor or newly formed Entity, prior to, on or after the Effective Date, as provided for in Article V.L of the Plan.

119. “*Sale Distribution*” means a distribution to be made to the holders of the Preferred Series A TSC Interests and the Preferred Series B TSC Interests, which will consist of any remaining proceeds (whether consisting of Cash or any other property), if any, from a sale and/or liquidation of all or substantially all of the TSC Debtors’ assets after payment of all Allowed Claims other than Intercompany Claims and Unsecured Claims in Classes 4c – 4i (or establishment of a reserve in the maximum potential Allowed amount of such Claims) in accordance with the provisions of this Plan and reimbursement of all expenses in accordance with the terms set forth herein; *provided, however*, that an amount to be reasonably agreed with each of the Designated Holders will be reserved for the expenses, if any, incurred in connection with any Restructuring Transactions with respect to each of the TSC Debtors, as reasonably agreed to by the TSC Debtors and each of the Designated Holders; *provided, further*, that any amount remaining after payment of the expenses of any such Restructuring Transactions shall be distributed to the holders of the Preferred Series A TSC Interests and the Preferred Series B TSC Interests. For the avoidance of doubt, in no event shall the foregoing reserve amount be less than the amount of any Bankruptcy Court authorized but unpaid amounts including, but not limited to, amounts due to professionals.

120. “*Schedule of Insurance Policies*” means the schedule, which was filed as part of the Plan Supplement on the Initial Plan Supplement Filing Date, listing each Insurance Policy of each of the TSC Debtors; *provided, however*, that any amendment thereto shall be reasonably satisfactory in form and substance to each of the Designated Holders.

121. “*Schedule of Retained Causes of Action*” means the schedule, which was filed as part of the Plan Supplement on the Initial Plan Supplement Filing Date, listing the Causes of Action to be retained by the Reorganized TSC Debtors after the Effective Date; *provided, however*, that any amendment thereto shall be reasonably satisfactory in form and substance to each of the Designated Holders.

122. “*Schedules*” means, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases and statements of financial affairs filed by the TSC Debtors pursuant to Bankruptcy Code section 521 and in substantial accordance with Official Bankruptcy Form 6 and Official Bankruptcy Form 7, as may be amended from time to time before entry of a final decree.

123. “*SEC*” means the Securities and Exchange Commission.

124. “*Secured*” means, when referring to a Claim: (a) secured by a Lien on property in which the Estate of the TSC Debtor against which the Claim is asserted has an interest, which Lien is valid, perfected and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, to the extent of the value of the creditor’s interest in the Estate’s interest in such property as determined pursuant to Bankruptcy Code section 506(a), (b) subject to setoff pursuant to Bankruptcy Code section 553, to the extent of the value of the property subject to setoff or (c) otherwise Allowed by Final Order of the Bankruptcy Court (which may be the Confirmation Order) as a Secured Claim.

125. “*Securities Act*” means the Securities Act of 1933, as amended.

126. “*Solus*” means Solus Alternative Asset Management LP, on behalf of itself and its affiliated and managed funds.

127. “*Sprint*” means Sprint Nextel Corporation.

128. “*Sprint Settlement Claim*” means the Allowed Unsecured Claim (if any) held by Sprint against TSC in an amount equal to the difference between \$2.6 million and the amount paid to Sprint pursuant to the terms of the Sprint Stipulations. The TSN Debtors have paid Sprint \$2.6 million on account of the Intercompany Funding Claim. Thus, the amount of the Sprint Settlement Claim is zero.

129. “*Sprint Stipulations*” means (i) the Sprint TSC Stipulation and (ii) the Sprint TSN Stipulation.

130. “*Sprint TSC Stipulation*” means that certain *Stipulation and Agreed Order Approving the TSC Debtors’ Motion for Entry of an Order, Pursuant to Bankruptcy Code Section 363(b) and Federal Rule of Bankruptcy Procedure 9019 Approving the Stipulation Between the Debtors and Sprint Nextel Corporation*, which was approved by the Bankruptcy Court by order entered December 15, 2011 [Docket No. 299].

131. “*Sprint TSN Stipulation*” means that certain *Stipulation and Agreed Order Approving the Debtors’ Motion for Entry of an Order Pursuant to Bankruptcy Code Section 363(b) and Federal Rule of Bankruptcy Procedure 9019 Approving the Stipulation Among the Debtors, the Creditors’ Committee, EchoStar, the Ad Hoc Group, Harbinger, LightSquared, Sprint, Solus, and the 15% Notes Trustee*, which was approved by the Bankruptcy Court by order entered December 15, 2011 [TSN Docket No. 857].

132. “*Supplemental Voting Deadline*” means 5:00 p.m. (prevailing Eastern Time) on September 7, 2012.

133. “*TS Holdings*” means TerreStar Holdings Inc.

134. “*TSC*” means TerreStar Corporation.

135. “*TSC Debtor*” means one of the TSC Debtors, in its individual capacity as a debtor and debtor in possession in these Chapter 11 Cases.

136. “*TSC Debtors*” means the February Debtors and the Other TSC Debtors.
137. “*TSC Series A Preferred Shares*” means the \$90 million in face amount of outstanding nonvoting Series A Cumulative Convertible Preferred Stock of TSC.
138. “*TSC Series B Preferred Shares*” means the \$318.5 million in face amount of outstanding nonvoting Series B Cumulative Convertible Preferred Stock of TSC.
139. “*TSC Series C Preferred Shares*” means one outstanding share of nonvoting Series C preferred stock, which was issued to EchoStar Corporation.
140. “*TSC Series D Preferred Shares*” means one outstanding share of nonvoting Series D preferred stock, which was issued to Harbinger.
141. “*TSC Series E Preferred Shares*” means the 1.2 million shares of outstanding TSC Series E Junior Participating Preferred Stock, which is held by Harbinger.
142. “*TSN*” means TerreStar Networks Inc.
143. “*TSN Debtors*” means TSN, TerreStar License Inc., TerreStar National Services Inc., TerreStar Networks Holdings (Canada) Inc., TerreStar Networks (Canada) Inc. and 0887729 B.C. Ltd.
144. “*TSN Docket*” means the docket for case number 10-15466 pending before the Bankruptcy Court.
145. “*Unexpired Leases*” means leases to which one or more of the TSC Debtors are party that are subject to assumption or rejection under Bankruptcy Code section 365.
146. “*Unimpaired*” means, with respect to any Class of Claims or Equity Interests, such Class is not Impaired.
147. “*Unsecured Claim*” means any Claim against any TSC Debtor, including without limitation, (i) a trade claim; (ii) an unsecured claim held by a Non-debtor Affiliate of the TSC Debtors against the TSC Debtors; (iii) a claim arising out of the rejection of Executory Contracts or Unexpired Leases by any TSC Debtor, (iv) a Convenience Claim; or (v) the Sprint Settlement Claim, unless such Claim is (a) a Secured Claim, (b) an Administrative Claim, (c) an Intercompany Claim, (d) a Priority Tax Claim, (e) an Other Priority Claim or (f) a Claim for Accrued Professional Compensation.
148. “*U.S. Trustee*” means the United States Trustee for the Southern District of New York.
149. “*U.S. Trustee Fees*” means fees arising under 28 U.S.C. § 1930(a)(6) or accrued interest thereon arising under 31 U.S.C. § 3717.
150. “*Voting Deadline*” means the Initial Voting Deadline or the Supplemental Voting Deadline, as applicable.
151. “*West Face*” means West Face Long Term Opportunities Global Master L.P. and its affiliates.

B. Rules of Interpretation

For purposes of this Plan: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter gender, (b) any reference herein to a contract, lease, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions, (c) any reference herein to an existing document or exhibit having been filed or to be filed shall mean

that document or exhibit, as it may thereafter be amended, modified or supplemented, (d) any reference to an Entity as a holder of a Claim or Equity Interest includes that Entity's successors and assigns, (e) unless otherwise specified, all references herein to "Articles" are references to Articles hereof or hereto, (f) unless otherwise specified, all references herein to exhibits are references to exhibits in the Plan Supplement, (g) unless otherwise stated, the words "herein," "hereof" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan, (h) subject to the provisions of any contract, certificate of incorporation, bylaw, instrument, release or other agreement or document entered into in connection with the Plan, the rights and obligations arising pursuant to the Plan shall be governed by, and construed and enforced in accordance with the applicable federal law, including the Bankruptcy Code and Bankruptcy Rules, (i) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part hereof or to affect the interpretation hereof, (j) unless otherwise specified herein, the rules of construction set forth in Bankruptcy Code section 102 shall apply, (k) all references to docket numbers of documents filed in the Chapter 11 Cases and the TSN Docket are references to the docket numbers under the Bankruptcy Court's CM/ECF system, (l) all references to statutes, regulations, orders, rules of courts and the like shall mean as amended from time to time, and as applicable to the Chapter 11 Cases, unless otherwise stated and (m) any immaterial effectuating provisions may be interpreted by the Reorganized TSC Debtors in a manner that is consistent with the overall purpose and intent of the Plan, all without further Bankruptcy Court order.

C. *Computation of Time*

Unless otherwise stated, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. For the avoidance of doubt, all extensions of time periods or deadlines related to the Plan, including, without limitation, the deadline to disclose the identity, affiliations and compensation of the members of the New Board, shall be approved only after notice to all interested parties and approval by the Bankruptcy Court; *provided, however*, that, subject to Bankruptcy Court approval and the consent of each of the Designated Holders, such extensions may be approved on shortened notice.

D. *Governing Law*

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated, the laws of the State of New York, without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction and implementation of the Plan and any agreements, documents, instruments or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided, however*, that corporate governance matters relating to the TSC Debtors or the Reorganized TSC Debtors, as applicable, not formed in New York shall be governed by the laws of the jurisdiction of formation of the applicable TSC Debtor or Reorganized TSC Debtor, as applicable.

E. *Reference to Monetary Figures*

All references in the Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided.

ARTICLE II.

ADMINISTRATIVE CLAIMS, DIP CLAIMS, U.S. TRUSTEE FEES AND PRIORITY TAX CLAIMS

In accordance with Bankruptcy Code section 1123(a)(1), Administrative Claims, DIP Claims, U.S. Trustee Fees and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims and Equity Interests set forth in Article III and shall have the following treatment:

A. *Administrative Claims*

1. Administrative Claims

Except with respect to Administrative Claims that are Claims for Accrued Professional Compensation and DIP Claims and except to the extent that a holder of an Allowed Administrative Claim agrees to less favorable treatment, the TSC Debtor against which such Administrative Claim has been allowed shall pay the holder of such Allowed Administrative Claim, in complete satisfaction of such Allowed Administrative Claim, Cash in the full amount of such Allowed Administrative Claim on the later of: (a) the Initial Distribution Date; (b) the date such Administrative Claim becomes an Allowed Administrative Claim or as soon as reasonably practicable thereafter and (c) the date such Allowed Administrative Claim becomes due and payable by its terms, or as soon thereafter as is reasonably practicable; *provided, however*, that Allowed Administrative Claims (other than Claims for Accrued Professional Compensation) that arise in the ordinary course of the TSC Debtors' business and that are reflected as post-petition liabilities on the applicable TSC Debtor's books and records as of the Effective Date shall be paid in full in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing or other documents relating to, such transactions.

2. Professional Compensation

(a) Claims for Accrued Professional Compensation

Professionals or other Entities asserting a Claim for Accrued Professional Compensation for services rendered before the Effective Date must file and serve on the TSC Debtors and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order, the Interim Compensation Order or other order of the Bankruptcy Court an application for final allowance of such Claim for Accrued Professional Compensation no later than 45 days after the Effective Date. Objections to any Claim for Accrued Professional Compensation must be filed and served on the Reorganized TSC Debtors, the Creditors' Committee, the Office of the U.S. Trustee and the requesting party no later than the earlier of (a) 45 days after such application is filed or (b) 75 days after the Effective Date.

(b) Treatment of Claims for Accrued Professional Compensation

A Claim for Accrued Professional Compensation in respect of which a final fee application has been properly filed and served pursuant to Article II.A.2(a) shall be payable to the extent approved by order of the Bankruptcy Court. Subject to the Holdback Amount, on the Effective Date, or as soon thereafter as reasonably practicable, to the extent not otherwise paid, all Allowed Claims for Accrued Professional Compensation (including estimated Accrued Professional Compensation through the Effective Date) shall be paid in full in Cash. To receive payment on the Effective Date for unbilled fees and expenses incurred through the Effective Date, each Professional shall reasonably estimate fees and expenses due for unbilled fees and expenses for periods that will not have been billed as of the Effective Date and shall deliver such estimates to the TSC Debtors and the U.S. Trustee prior to the Effective Date. If the estimated payment received by such Professional exceeds the actual allowed Accrued Professional Compensation for the estimated period, such excess amount shall be deducted from the Holdback Amount for such Professional, and if the Holdback Amount is insufficient, such Professional shall disgorge the difference. If the estimated payment received by the Professional is lower than the Accrued Professional Compensation of such Professional, the difference shall be paid promptly to the Professional.

On the Effective Date, the Reorganized TSC Debtors shall fund the Holdback Amount Reserve for payment of the Holdback Amount. Upon final allowance by the Bankruptcy Court of the Accrued Professional Compensation, or entry of an earlier order of the Bankruptcy Court granting the release of the Holdback Amount, such amount, less any excess paid in connection with estimated fees and expenses through the Effective Date, shall be paid promptly and directly to the Professionals.

(c) Post-Effective Date Fees and Expenses

Upon the Effective Date, any requirement that Professionals comply with Bankruptcy Code sections 327 through 331 and 1103 in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized TSC Debtors may employ and pay any Professional for services rendered or expenses incurred after the Effective Date in the ordinary course of business without any further notice to any party or action (including, without limitation, the need to file a fee application), order or approval of the Bankruptcy Court.

3. Administrative Claim Bar Date

Except as otherwise provided in this Article II.A, requests for payment of Administrative Claims must be filed and served on the Reorganized TSC Debtors pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order no later than 45 days after the Effective Date. Holders of Administrative Claims that are required to, but do not, file and serve a request for payment of such Administrative Claims by such date shall be forever barred, estopped and enjoined from asserting such Administrative Claims against the TSC Debtors or Reorganized TSC Debtors or their property, and such Administrative Claims shall be deemed discharged as of the Effective Date. Objections to such requests, if any, must be filed and served on the Reorganized TSC Debtors and the requesting party no later than 90 days after the Effective Date or such later date as the Bankruptcy Court may approve. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be filed with respect to (i) a DIP Claim or (ii) any other Administrative Claim made an Allowed Administrative Claim by Final Order, including all Administrative Claims expressly made Allowed Administrative Claims under this Plan.

B. *DIP Claims*

On the Effective Date, unless otherwise agreed to by all of the DIP Lenders, the DIP Claims (if any) shall be paid in full in Cash as provided under the DIP Loan Agreement. Upon payment and satisfaction in full of all Allowed DIP Claims, all Liens and security interests granted to secure such obligations shall be terminated and immediately released, and the DIP Lenders shall execute and deliver to the Reorganized TSC Debtors such instruments of release, satisfaction and/or assignments (in recordable form) as may be reasonably requested by the Reorganized TSC Debtors. The TSC Debtors anticipate that the DIP Claims will be satisfied in full on the Effective Date with the proceeds of the Exit Facility.

C. *U.S. Trustee Fees*

On the Effective Date, the TSC Debtors shall pay all U.S. Trustee Fees that are due and owing on the Effective Date.

D. *Priority Tax Claims*

Each holder of an Allowed Priority Tax Claim due and payable on or before the Effective Date shall receive, at the option of the TSC Debtor against which such Allowed Priority Tax Claim is asserted (which option shall be reasonably satisfactory to each of the Designated Holders), one of the following treatments, in complete satisfaction of such Allowed Priority Tax Claim: (1) Cash on the Initial Distribution Date in an amount equal to the amount of such Allowed Priority Tax Claim, (2) Cash payable in installment payments over a period of time not to exceed five years after the Petition Date with an aggregate value, as of the Effective Date, equal to the amount of such Allowed Priority Tax Claim, pursuant to Bankruptcy Code section 1129(a)(9)(C) or (3) such other treatment as may be agreed upon by such holder and the TSC Debtors or otherwise determined upon an order of the Bankruptcy Court.

ARTICLE III.

CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. *General Rules of Classification*

(i) Pursuant to Bankruptcy Code section 1122, set forth below is a designation of Classes of Claims against and Equity Interests in the TSC Debtors. A Claim or Equity Interest is placed in a particular Class only to the extent that the Claim or Equity Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Equity Interest falls within the description of such other Classes. A Claim or Equity Interest is also placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Equity Interest is an Allowed Claim in that Class and such Claim or Equity Interest has not been paid, released or otherwise settled prior to the Effective Date.

(ii) This Plan constitutes a separate chapter 11 plan of reorganization for each TSC Debtor, each of which shall include the classifications set forth below. For the avoidance of doubt, to the extent that a Class contains Allowed Claims or Equity Interests with respect to a particular TSC Debtor, such Class is designated with respect to such TSC Debtor. To the extent that there are no Allowed Claims or Equity Interests in a Class with respect to a particular TSC Debtor, such Class is deemed to be omitted with respect to such TSC Debtor.

B. *Summary of Classification*

The following chart represents the general classification of Claims and Equity Interests against the TSC Debtors pursuant to the Plan:

Class	Claim	Status	Voting Rights
1	Other Priority Claims	Unimpaired	No (deemed to accept)
2	Other Secured Claims	Unimpaired	No (deemed to accept)
3a	Bridge Loan Claims Against TSC	Impaired	Yes
3b	Bridge Loan Claim Against TS Holdings	Impaired	Yes
4a	Unsecured Claims Against TSC	Impaired	Yes
4b	Unsecured Claims Against TS Holdings	Impaired	Yes
4c	Unsecured Claim Against MVH Holdings Inc.	Impaired	Yes
4d	Unsecured Claims Against Motient Ventures Holding Inc.	Impaired	Yes
4e	Unsecured Claim Against Motient Holdings Inc.	Impaired	Yes
4f	Unsecured Claims Against Motient Communications Inc.	Impaired	Yes
4g	Unsecured Claim Against Motient Services Inc.	Impaired	Yes
4h	Unsecured Claims Against Motient License Inc.	Impaired	Yes
4i	Unsecured Claim Against TerreStar New York Inc.	Impaired	Yes
5	Convenience Claims	Unimpaired	No (deemed to accept)
6	Sprint Settlement Claim	Impaired	Yes
7	Intercompany Claims	Unimpaired	No (deemed to accept)
8a	Preferred Series A TSC Interests	Impaired	Yes
8b	Preferred Series B TSC Interests	Impaired	Yes
8c	Preferred Series C TSC Interests	Impaired	No (deemed to reject)

<u>Class</u>	<u>Claim</u>	<u>Status</u>	<u>Voting Rights</u>
8d	Preferred Series D TSC Interests	Impaired	No (deemed to reject)
8e	Preferred Series E TSC Interests	Impaired	No (deemed to reject)
9a	Other TSC Equity Interests	Impaired	No (deemed to reject)
9b	Other Equity Interests in TS Holdings	Unimpaired	No (deemed to accept)
9c	Other Equity Interests in MVH Holdings Inc.	Unimpaired/ Impaired	No (deemed to accept)/ No (deemed to reject)
9d	Other Equity Interests in Motient Ventures Holding Inc.	Unimpaired/ Impaired	No (deemed to accept)/ No (deemed to reject)
9e	Other Equity Interests in Motient Holdings Inc.	Unimpaired/ Impaired	No (deemed to accept)/ No (deemed to reject)
9f	Other Equity Interests in Motient Communications Inc.	Unimpaired/ Impaired	No (deemed to accept)/ No (deemed to reject)
9g	Other Equity Interests in Motient Services Inc.	Unimpaired/ Impaired	No (deemed to accept)/ No (deemed to reject)
9h	Other Equity Interests in Motient License Inc.	Unimpaired/ Impaired	No (deemed to accept)/ No (deemed to reject)
9i	Other Equity Interests in TerreStar New York Inc.	Unimpaired/ Impaired	No (deemed to accept)/ No (deemed to reject)

C. *Treatment of Claims and Equity Interests*

1. Class 1 – Other Priority Claims

- (a) *Classification:* Class 1 consists of Other Priority Claims against each TSC Debtor. Although all Other Priority Claims have been placed in one Class for the purposes of nomenclature, the Other Priority Claims against each TSC Debtor shall be treated as being in a separate sub-Class for the purpose of receiving distributions under the Plan.
- (b) *Treatment:* Except to the extent that a holder of an Allowed Other Priority Claim (i) has been paid by the applicable TSC Debtor, in whole or in part, prior to the Effective Date or (ii) agrees to a less favorable treatment, each holder of an Allowed Other Priority Claim shall receive from the TSC Debtor that is obligated on such Other Priority Claim, in full satisfaction, settlement, release and discharge of, and in exchange for such Other Priority Claim, Cash in the full amount of such Allowed Other Priority Claim.
- (c) *Voting:* Class 1 is Unimpaired and the holders of Other Priority Claims are conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f). Therefore, holders of Other Priority Claims are not entitled to vote to accept or reject the Plan.

2. Class 2 – Other Secured Claims

- (a) *Classification:* Class 2 consists of Other Secured Claims. Although all Other Secured Claims have been placed in one Class for the purposes of nomenclature, each Other Secured Claim, to the extent secured by a Lien on any property or interest in property of the TSC Debtors different than that securing any other Other Secured Claims, shall be

treated as being in a separate sub-Class for the purpose of receiving distributions under the Plan.

- (b) *Treatment:* Except to the extent that a holder of an Allowed Other Secured Claim agrees to a less favorable treatment, in full satisfaction, settlement, release and discharge of, and in exchange for such Allowed Other Secured Claim, each holder of an Allowed Other Secured Claim shall, at the option of the TSC Debtors (with the reasonable consent of each of the Designated Holders), be paid: (i) in Cash in full on the first Distribution Date after such claim becomes due and payable in the ordinary course of business or (ii) in Cash on such other terms and conditions as may be agreed between the holder of such claim and the TSC Debtors.
- (c) *Voting:* Class 2 is Unimpaired and the holders of Other Secured Claims are conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f). Therefore, holders of Other Secured Claims are not entitled to vote to accept or reject the Plan.

3. Class 3 – Bridge Loan Claims

- (a) *Classification:* Classes 3a and 3b consist of the Bridge Loan Claims against TSC and TS Holdings, respectively.
- (b) *Treatment:* Except to the extent that a holder of an Allowed Bridge Loan Claim agrees to a less favorable treatment, in full satisfaction, settlement, release and discharge of, and in exchange for such Allowed Bridge Loan Claim, each holder of an Allowed Bridge Loan Claim shall be paid in Cash within two Business Days after the Effective Date in an amount equal to such Bridge Loan Claim less any interest that has accrued pursuant to Section 2.8(c) of the Bridge Loan Agreement solely as a result of a continuing default thereunder.
- (c) *Voting:* Classes 3a and 3b are Impaired by the Plan. Therefore, holders of Bridge Loan Claims are entitled to vote to accept or reject the Plan.

4. Class 4 – Unsecured Claims

- (a) *Classes 4a and 4b*
 - (i) *Classification:* Classes 4a and 4b consist of Unsecured Claims against TSC and TS Holdings, respectively.
 - (ii) *Treatment:* Except to the extent that a holder of an Allowed Unsecured Claim in Classes 4a and 4b agrees to a less favorable treatment, each holder of an Allowed Unsecured Claim in Class 4a or 4b shall, at the option of the applicable TSC Debtors, receive, in full satisfaction, settlement, release and discharge of, and in exchange for such Allowed Unsecured Claim in Class 4a or 4b, either (a) its Pro Rata share (calculated with reference to all Allowed Unsecured Claims in Classes 4a and 4b) of New TSC Notes in an aggregate amount such that each holder of an Allowed Unsecured Claim in Class 4a or 4b receives a 100% recovery on account of such Allowed Unsecured Claim in Class 4a or 4b, including post-petition interest at the federal judgment rate or (b) payment in Cash in full, including post-petition interest at the federal judgment rate, on the first Distribution Date after such Claim becomes due and payable in the ordinary course of business (provided that no payment shall be made under this Article III.C.4(a)(ii)(b) without the consent of each of the Designated Holders); *provided, however,* that, in the event of the sale and/or liquidation of all or

substantially all of the TSC Debtors' assets pursuant to an order entered by the Bankruptcy Court, each holder of an Allowed Unsecured Claim in Class 4a or 4b shall receive, on the first Distribution Date after such Claim becomes due and payable in the ordinary course of business, payment in Cash in full, including post-petition interest at the federal judgment rate.

- (iii) *Voting:* Classes 4a and 4b are Impaired by the Plan. Therefore, holders of Unsecured Claims in these Classes are entitled to vote to accept or reject the Plan.

(b) Classes 4c – 4i

- (i) *Classification:* Classes 4c – 4i consist of Unsecured Claims against MVH Holdings Inc. (Class 4c); Motient Ventures Holding Inc. (Class 4d); Motient Holdings Inc. (Class 4e); Motient Communications Inc. (Class 4f); Motient Services Inc. (Class 4g); Motient License Inc. (Class 4h); and TerreStar New York Inc. (Class 4i).

- (ii) *Treatment:* Except to the that extent a holder of an Allowed Unsecured Claim in Classes 4c – 4i agrees to a less favorable treatment, to the extent that any holder of an Allowed Unsecured Claim in Classes 4c – 4i is also the holder of an Allowed Unsecured Claim in Class 4a or 4b arising out of the same agreement, transaction or circumstance, such Claim shall be satisfied in full by TSC or TS Holdings, as applicable, in accordance with the terms of this Plan, *provided, however,* that each holder of an Allowed Unsecured Claim in Classes 4c – 4i that (a) is not also the holder of an Allowed Unsecured Claim in Class 4a or 4b arising out of the same agreement, transaction or circumstance or (b) is the holder of an Allowed Unsecured Claim in Class 4a or 4b, but such Allowed Unsecured Claim in Classes 4c – 4i is greater in amount than such Allowed Unsecured Claim in Class 4a or 4b, shall, at the option of the applicable TSC Debtors, with the consent of each of the Designated Holders, receive: (i) payment in Cash in full, including post-petition interest at the federal judgment rate, on the first Distribution Date after such Claim becomes due and payable in the ordinary course of business or (ii) its Pro Rata share of the equity of the reorganized entity corresponding to such Allowed Unsecured Claim.

For the avoidance of doubt, with respect to Allowed Class 4c – 4i Unsecured Claims, to the extent that Cash is distributed to any of the Other TSC Debtors pursuant to the TSN Debtors' chapter 11 plan, such Cash will be used to satisfy such Allowed Class 4c – 4i Unsecured Claims, as applicable; *provided, however,* that, to the extent that any TSC Debtor(s) advance(s) Cash to any of the Other TSC Debtors to satisfy Allowed Class 4c – 4i Unsecured Claims prior to any of the Other TSC Debtors' receipt of any distribution pursuant to the TSN Debtors' chapter 11 plan, any such distribution pursuant to the TSN Debtors' chapter 11 plan will be paid over to such TSC Debtor(s) in repayment of such Cash advance(s).

- (iii) *Voting:* Classes 4c – 4i are Impaired by the Plan. Therefore, holders of Unsecured Claims in these Classes are entitled to vote to accept or reject the Plan.

5. Class 5 – Convenience Claims

- (a) *Classification:* Class 5 consists of Convenience Claims against TSC and TS Holdings.
- (b) *Treatment:* Except to the extent that a holder of an Allowed Convenience Claim (i) has been paid by TSC or TS Holdings, as applicable, in whole or in part, prior to the Effective Date or (ii) agrees to a less favorable treatment, each holder of an Allowed Convenience Claim shall receive, from TSC or TS Holdings, as applicable, in full satisfaction, settlement, release and discharge of, and in exchange for such Convenience Claim, Cash in the full amount of such Allowed Convenience Claim, including post-petition interest at the federal judgment rate, on the first Distribution Date after such Convenience Claim becomes Allowed.
- (c) *Voting:* Class 5 is Unimpaired by the Plan, and the holders of Convenience Claims are conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f). Therefore, holders of Convenience Claims are not entitled to vote to accept or reject the Plan.

6. Class 6 – Sprint Settlement Claim

- (a) *Classification:* Class 6 consists of the Sprint Settlement Claim against TSC.
- (b) *Treatment:* The holder of the Sprint Settlement Claim shall receive, on the Effective Date, in full satisfaction, settlement, release and discharge of, and in exchange for the Sprint Settlement Claim, Cash in an amount equal to the difference (if any) between \$2.6 million and the amount paid to Sprint by the TSN Debtors on account of the Intercompany Funding Claim pursuant to the terms of the Sprint Settlements, which amount shall be funded solely from any amount actually received by TSC on account of the Intercompany Funding Claim. In the event that the allowed amount of the Sprint Settlement Claim exceeds the total amount actually received by TSC on account of the Intercompany Funding Claim, the holder of the Sprint Settlement Claim shall receive in full satisfaction, settlement, release and discharge of, and in exchange for the Sprint Settlement Claim only Cash in an amount equal to the total amount actually received by TSC on account of the Intercompany Funding Claim.
- (c) *Voting:* Class 6 is Impaired under the Plan. However, the TSN Debtors have paid Sprint \$2.6 million on account of the Intercompany Funding Claim. Thus, the amount of the Sprint Settlement Claim is zero, and Class 6 is an empty class, deemed automatically eliminated. Any such votes cast in Class 6 shall be disregarded.

7. Class 7 – Intercompany Claims

- (a) *Classification:* Class 7 consists of Intercompany Claims against each TSC Debtor. Although all Intercompany Claims have been placed in one Class for the purposes of nomenclature, the Intercompany Claims against each TSC Debtor shall be treated as being in a separate sub-Class for the purpose of receiving distributions under the Plan.
- (b) *Treatment:* No distribution shall be made on account of Intercompany Claims. Except as otherwise determined by the TSC Debtors, with the consent of each of the Designated Holders, each Allowed Intercompany Claim shall be reinstated on the Effective Date. After the Effective Date, the Reorganized TSC Debtors shall have the right to resolve or compromise Disputed Intercompany Claims without approval of the Bankruptcy Court.
- (c) *Voting:* Class 7 is Unimpaired and the holders of Intercompany Claims are conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f).

Therefore, holders of Intercompany Claims are not entitled to vote to accept or reject the Plan.

8. Class 8 – Preferred TSC Interests

(a) *Classes 8a and 8b*

- (i) *Classification:* Classes 8a and 8b consist of Preferred Series A TSC Interests and Preferred Series B TSC Interests, respectively.
- (ii) *Treatment:* On the Effective Date, except to the extent a holder of an Allowed Preferred Series A TSC Interest or an Allowed Preferred Series B TSC Interest agrees to a less favorable treatment, each holder of an Allowed Preferred Series A TSC Interest or an Allowed Preferred Series B TSC Interest shall receive its Pro Rata share (calculated with reference to all Allowed Preferred Series A and B TSC Interests) of the New Common Stock; *provided, however,* that in the event of the sale and/or liquidation of all or substantially all of the TSC Debtors' assets pursuant to an order entered by the Bankruptcy Court, each holder of an Allowed Preferred Series A TSC Interest or an Allowed Preferred Series B TSC Interest shall receive its Pro Rata share (calculated with reference to all Allowed Preferred Series A and B TSC Interests) of the Sale Distribution. On the Effective Date, all Preferred Series A TSC Interests and Preferred Series B TSC Interests shall be deemed cancelled and shall be of no further force and effect, whether surrendered for cancellation or otherwise.
- (iii) *Voting:* Classes 8a and 8b are Impaired by the Plan. Therefore, holders of Preferred Series A TSC Interests and Preferred Series B TSC Interests are entitled to vote to accept or reject the Plan.

(b) *Classes 8c – 8e*

- (i) *Classification:* Classes 8c – 8e consist of the Preferred Series C TSC Interests, the Preferred Series D TSC Interests and the Preferred Series E TSC Interests, respectively.
- (ii) *Treatment:* On the Effective Date, all Preferred Series C TSC Interests, Preferred Series D TSC Interests and Preferred Series E TSC Interests shall be deemed cancelled and shall be of no further force and effect, whether surrendered for cancellation or otherwise, and there shall be no distribution to the holders of Preferred Series C TSC Interests, Preferred Series D TSC Interests and Preferred Series E TSC Interests.
- (iii) *Voting:* Classes 8c – 8e are Impaired and the holders of Preferred Series C TSC Interests, Preferred Series D TSC Interests and Preferred Series E TSC Interests are conclusively presumed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g). Therefore, holders of Preferred Series C TSC Interests, Preferred Series D TSC Interests and Preferred Series E TSC Interests are not entitled to vote to accept or reject the Plan.

9. Class 9 – Equity Interests

(a) *Class 9a*

- (i) *Classification:* Class 9a consists of the Other TSC Equity Interests.

- (ii) *Treatment:* On the Effective Date, all Other TSC Equity Interests shall be deemed cancelled and shall be of no further force and effect, whether surrendered for cancellation or otherwise, and there shall be no distribution to the holders of Other TSC Equity Interests.
 - (iii) *Voting:* Class 9a is Impaired and the holders of Other TSC Equity Interests are conclusively presumed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g). Therefore, holders of Other TSC Equity Interests are not entitled to vote to accept or reject the Plan.
- (b) *Classes 9b – 9i*
- (i) *Classification:* Classes 9b – 9i consist of Other Equity Interests in TS Holdings (Class 9b); MVH Holdings Inc. (Class 9c); Motient Ventures Holding Inc. (Class 9d); Motient Holdings Inc. (Class 9e); Motient Communications Inc. (Class 9f); Motient Services Inc. (Class 9g); Motient License Inc. (Class 9h) and TerreStar New York Inc. (Class 9i).
 - (ii) *Treatment:* In full satisfaction, settlement, release and discharge of and in exchange for the Reorganized TSC Debtors' agreement to make distributions, if any, to the holders of Allowed Unsecured Claims and Other Equity Interests under the Plan, to provide management services to certain other Reorganized TSC Debtors and to use certain funds and assets, to the extent authorized in the Plan, to satisfy certain obligations between and among such Reorganized TSC Debtors, each and every Other Equity Interest in Classes 9b – 9i shall, subject to any Restructuring Transaction, at the option of the Reorganized TSC Debtors (in consultation with the Designated Holders), either (i) be retained, in which case the TSC Debtor holding such Other Equity Interests shall continue to hold such Other Equity Interests, and the legal, equitable and contractual rights to which the holders of such Other Equity Interests are entitled shall remain unaltered or (ii) be cancelled and new Other Equity Interests in the applicable Other TSC Debtor shall be issued pursuant to the Plan to the Reorganized TSC Debtor that holds such Other Equity Interests. For the avoidance of doubt, if the holders of Allowed Unsecured Claims in Classes 4c – 4i receive the equity in the reorganized entity corresponding to their respective Allowed Unsecured Claim, the holders of the applicable 9c – 9i Other Equity Interests will receive no distribution.
 - (iii) *Voting:* Class 9b is Unimpaired and the holders of Class 9b Other Equity Interests are conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f). Classes 9c – 9i are either (a) Unimpaired and the holders of the applicable Class 9c – 9i Other Equity Interests are conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f) or (b) Impaired and the holders of the applicable Class 9c – 9i Other Equity Interests are conclusively presumed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g). Therefore, holders of Other Equity Interests in Classes 9b – 9i are not entitled to vote to accept or reject the Plan.

ARTICLE IV.

ACCEPTANCE REQUIREMENTS

A. *Acceptance or Rejection of the Plan*

1. Voting Classes

Classes 3a, 3b, 4a – 4i, 6, 8a and 8b are Impaired and are receiving property under the Plan. Therefore, such Classes are entitled to vote to accept or reject the Plan.

2. Presumed Acceptance of the Plan

Classes 1, 2, 5, 7 and 9b are Unimpaired under the Plan and are therefore conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f).

3. Presumed Rejection of the Plan

Classes 8c – 8e and 9a are Impaired and are not receiving any property under the Plan. Therefore, such Classes are conclusively presumed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g).

4. Other TSC Equity Interests

Classes 9c – 9i are either (a) Unimpaired and conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f) or (b) Impaired and not receiving any property under the Plan, and thus conclusively presumed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g). Therefore, such Classes are not entitled to vote to accept or reject the Plan.

B. *Confirmation Pursuant to Bankruptcy Code Sections 1129(a)(10) and 1129(b)*

Bankruptcy Code section 1129(a)(10) shall be satisfied for purposes of Confirmation by acceptance of the Plan by an Impaired Class of Claims for each TSC Debtor. The TSC Debtors shall seek Confirmation of the Plan pursuant to Bankruptcy Code section 1129(b) with respect to any rejecting Class of Claims or Equity Interests. The TSC Debtors reserve the right to modify the Plan in accordance with Article XI hereof to the extent, if any, that Confirmation pursuant to Bankruptcy Code section 1129(b) requires modification.

ARTICLE V.

MEANS FOR IMPLEMENTATION OF THE PLAN

A. *Exit Facility*

On the Effective Date, Reorganized TSC shall enter into the Exit Facility Agreement. Confirmation shall be deemed approval of the Exit Facility (including the transactions contemplated thereby, such as any supplementation or additional syndication of the Exit Facility, and all actions to be taken, undertakings to be made and obligations to be incurred by the Reorganized TSC Debtors in connection therewith, including the payment of all fees, indemnities and expenses provided for therein) and authorization for the Reorganized TSC Debtors to enter into and execute the Exit Facility Agreement, and such other Exit Facility Documents as the Exit Facility Lenders may reasonably require, subject to such modifications as the Reorganized TSC Debtors may deem to be reasonably necessary to consummate the Exit Facility. The Reorganized TSC Debtors may use the Exit Facility for any purpose permitted thereunder, including the funding of obligations under the Plan and satisfaction of ongoing working capital needs.

Upon the date the Exit Facility Agreement becomes effective, (i) the TSC Debtors and the Reorganized TSC Debtors are authorized to execute and deliver the Exit Facility Documents and perform their obligations

thereunder, including, without limitation, the payment or reimbursement of any fees, expenses, losses, damages or indemnities, (ii) the Exit Facility Documents shall constitute the legal, valid and binding obligations of the Reorganized TSC Debtors that are parties thereto, enforceable in accordance with their respective terms and (iii) no obligation, payment, transfer or grant of security under the Exit Facility Documents shall be stayed, restrained, voidable or recoverable under the Bankruptcy Code or under any applicable law or subject to any defense, reduction, recoupment, setoff or counterclaim. The TSC Debtors and the Reorganized TSC Debtors, as applicable, and the other persons granting any Liens and security interests to secure the obligations under the Exit Facility Documents are authorized to make all filings and recordings, and to obtain all governmental approvals and consents necessary or desirable to establish and further evidence perfection of such Liens and security interests under the provisions of any applicable federal, state, provincial or other law (whether domestic or foreign) (it being understood that perfection shall occur automatically by virtue of the occurrence of the Effective Date, and any such filings, recordings, approvals and consents shall not be required), and will thereafter cooperate to make all other filings and recordings that otherwise would be necessary under applicable law to give notice of such Liens and security interests to third parties.

B. *Sources of Consideration for Plan Distributions*

1. Cash Consideration

All Cash consideration necessary for the TSC Debtors or the Reorganized TSC Debtors, as applicable, to make payments or distributions pursuant hereto shall be obtained from Cash on hand, including Cash derived from business operations, and the Exit Facility proceeds.

C. *Issuance of New Securities and Debt Instruments*

1. Issuance of New Common Stock

The issuance of the New Common Stock by Reorganized TSC is authorized without the need for any further corporate action and without any further action by any holder of any Claim or Equity Interest. The New Common Stock shall be authorized under the New Certificate of Incorporation of Reorganized TSC. On the Effective Date, Reorganized TSC shall issue the New Common Stock to the holders of Preferred Series A TSC Interests and Preferred Series B TSC Interests in accordance with the terms of the Plan.

2. Issuance of New TSC Notes

On the Effective Date, if applicable, Reorganized TSC shall issue the New TSC Notes, on such terms and conditions as set forth in the First Disclosure Statement Supplement.

3. New Stockholders Agreement

The holders of the New Common Stock may elect to be parties to the New Stockholders Agreement; *provided, however*, that any and all of the Designated Holders and their respective affiliated and managed funds that receive any distribution of New Common Stock under the Plan shall be parties to the New Stockholders Agreement.

D. *Cancellation of Securities and Agreements*

On the Effective Date, except as otherwise specifically provided for in the Plan: (1) the obligations of the TSC Debtors under the Bridge Loan Agreement and any certificate, share, note, bond, indenture, purchase right, option, warrant or other instrument or document directly or indirectly evidencing or creating any indebtedness or obligation of or ownership interest in the TSC Debtors giving rise to any Claim or Equity Interest (except such certificates, notes or other instruments or documents evidencing indebtedness or obligations of the TSC Debtors that are specifically reinstated pursuant to the Plan), shall be cancelled as to the TSC Debtors and the Reorganized TSC Debtors shall not have any continuing obligations thereunder and (2) the obligations of the TSC Debtors pursuant, relating or pertaining to any agreements, indentures, certificates of designation, bylaws or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options,

warrants or other instruments or documents evidencing or creating any indebtedness or obligation of the TSC Debtors (except such agreements, certificates, notes or other instruments evidencing indebtedness or obligations of the TSC Debtors that are specifically reinstated or assumed pursuant to the Plan) shall be released and discharged; *provided, however*, that notwithstanding Confirmation or the occurrence of the Effective Date, any such agreement that governs the rights of the holder of a Claim or Equity Interest shall continue in effect solely for purposes of (a) allowing holders of the Bridge Loan Claims to receive distributions under the Plan as provided herein, (b) allowing the Bridge Loan Agent to make distributions under the Plan as provided herein, and in accordance with any payment priorities established under the Bridge Loan Agreement and to deduct therefrom such compensation, reasonable fees and expenses due thereunder or incurred in making such distributions and to create a reserve for future fees and expenses the Bridge Loan Agent may incur after the Effective Date and (c) allowing the Bridge Loan Agent to seek compensation and/or reimbursement of reasonable fees and expenses in accordance with the terms of the Bridge Loan Agreement and this Plan; *provided further, however*, that the preceding proviso shall not affect the discharge of Claims or Equity Interests pursuant to the Bankruptcy Code, the Confirmation Order or the Plan, or result in any expense or liability to the Reorganized TSC Debtors, except to the extent set forth in or provided for under this Plan. On and after the Effective Date, all duties and responsibilities of the Bridge Loan Agent under the Bridge Loan Agreement, as applicable, shall be discharged except to the extent required in order to effectuate the Plan.

E. *Listing of the New Common Stock and Transfer Restrictions*

On the Effective Date, the Reorganized TSC Debtors shall be private, non-reporting companies, and the New Common Stock shall not be registered or listed on any national securities exchange. On the Effective Date, Reorganized TSC and each of the Designated Holders will enter into the Registration Rights Agreement. Other than as provided in the Registration Rights Agreement, the Reorganized TSC Debtors shall not be obligated to list the New Common Stock on a national securities exchange. The New Common Stock may be subject to certain transfer and other restrictions pursuant to, among other things, the New Stockholders Agreement and the New Certificate of Incorporation.

F. *Section 1145 Exemption*

Pursuant to Bankruptcy Code section 1145, the offering, issuance and distribution of the New Common Stock and New TSC Notes contemplated by the Plan and all agreements incorporated herein shall be exempt from, among other things, the registration requirements of Securities Act section 5 and any other applicable law requiring registration before the offering, issuance, distribution or sale of securities. In addition, under Bankruptcy Code section 1145, the New Common Stock and New TSC Notes (to the extent the New TSC Notes are securities) contemplated by the Plan and any and all agreements incorporated therein will be freely tradable in the United States of America by the recipients thereof, subject to (1) the provisions of Bankruptcy Code section 1145(b)(1) relating to the definition of an underwriter in Securities Act section 2(a)(11); (2) compliance with applicable securities laws and any rules and regulations of the SEC, if any, applicable at the time of any future transfer of the New Common Stock and New TSC Notes; (3) the restrictions, if any, on the transferability of such securities and instruments, including those set forth in Article V.E hereof, the New Stockholders Agreement, the New Certificate of Incorporation, and the indenture governing the New TSC Notes as set forth in the Plan Supplement; and (4) applicable regulatory approval.

G. *Corporate Existence*

Subject to any Restructuring Transaction and except as otherwise provided herein, in the New Corporate Governance Documents or elsewhere in the Plan Supplement, each TSC Debtor, as Reorganized, shall continue to exist after the Effective Date as a separate corporate entity, limited liability company, partnership or other form, as the case may be, with all the powers of a corporation, limited liability company, partnership or other form, as the case may be, pursuant to the applicable law in the jurisdiction in which each applicable TSC Debtor is incorporated or formed. The New Corporate Governance Documents shall be substantially in the form filed with the Plan Supplement.

H. *New Certificate of Incorporation and New By-laws*

On or immediately before the Effective Date, each of the Reorganized TSC Debtors will file their respective New Certificates of Incorporation with the applicable Secretaries of State and/or other applicable authorities in their respective states of incorporation in accordance with the corporate laws of the respective states of incorporation. Pursuant to Bankruptcy Code section 1123(a)(6), the New Certificates of Incorporation with respect to each Reorganized TSC Debtor that is a corporation will prohibit the issuance of nonvoting equity securities. After the Effective Date, each of the Reorganized TSC Debtors may amend and restate their respective New Certificates of Incorporation and New By-laws and other constituent documents as permitted by the laws of their respective states of incorporation, their respective New Certificates of Incorporation and New By-laws and, in the case of Reorganized TSC, the New Stockholders Agreement.

I. *Reorganized TSC Debtors' Boards of Directors*

As of the Effective Date, the term of the current members of the board of directors of each of the TSC Debtors shall expire. The New Board of Reorganized TSC, which shall consist of three members, shall be selected by those parties who are Designated Holders at the time of such selection, in a manner to be agreed amongst themselves, and acceptable to the TSC Debtors in their reasonable business judgment, *provided* that if a party who is not a Designated Holder becomes the holder of TSC Series A Preferred Shares or TSC Series B Preferred Shares equal to or in excess of the Minimum Holding Requirement prior to the selection of such members, such party shall be entitled to participate in the selection of the members of the New Board of Reorganized TSC. The identity and affiliations of the members of the New Board of Reorganized TSC and, if any such individual is an "insider" under the Bankruptcy Code, the nature of any compensation to be paid to such individual, shall be disclosed at least 10 days prior to the Confirmation Hearing or such later date as may be approved by the Bankruptcy Court. The members of the initial New Board of TSC shall also serve as members of the initial board of directors of the other Reorganized TSC Debtors. Successor directors of each Reorganized TSC Debtor will be appointed and/or elected in accordance with the applicable Reorganized TSC Debtor's charter and by-laws or other organizational documents, and, in the case of Reorganized TSC, the New Stockholders Agreement.

J. *Officers of Reorganized TSC Debtors*

As of the Effective Date, the term of the current officers of each of the TSC Debtors shall expire. The initial Chief Executive Officer of Reorganized TSC shall be selected by the Designated Holders, in consultation with the TSC Debtors, *provided* that, if the Designated Holders fail to notify the TSC Debtors of the identity of such initial Chief Executive Officer before the date that is 5 calendar days before the Confirmation Hearing, the TSC Debtors may appoint such initial Chief Executive Officer, subject to the reasonable consent of each of the Designated Holders. The initial Chief Executive Officer of Reorganized TSC shall also serve as the initial Chief Executive Officer of each other Reorganized TSC Debtors. The other officers of each of the Reorganized TSC Debtors will be determined by the New Boards of each of the Reorganized TSC Debtors. Such officers shall serve in accordance with applicable nonbankruptcy law. The identity and affiliations of the officers of the Reorganized TSC Debtors and, if any such individual is an "insider" under the Bankruptcy Code, the nature of any compensation to be paid to such individual, shall be disclosed at least 10 days prior to the Confirmation Hearing or such later date as may be approved by the Bankruptcy Court.

K. *Vesting of Assets in the Reorganized TSC Debtors*

Except as otherwise provided in the Plan, the Plan Supplement or any agreement, instrument or other document incorporated therein, on the Effective Date, any and all property in each Estate and all Causes of Action (except those released pursuant to the releases by the TSC Debtors set forth in Article IX hereof) shall vest in each respective Reorganized TSC Debtor, free and clear of all Liens, Claims, charges or other encumbrances (except for Liens, if any, granted to secure the Exit Facility). On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized TSC Debtor may operate its business and may use, acquire or dispose of property and compromise or settle any Claims, Equity Interests or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

L. *Restructuring Transactions*

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized TSC Debtors may enter into the Restructuring Transactions and may take all actions as may be necessary or appropriate to effect a restructuring of their respective businesses or the overall organizational structure of the Reorganized TSC Debtors. The Restructuring Transactions, which are described in the Plan Supplement and shall be reasonably satisfactory to each of the Designated Holders, may include one or more mergers, consolidations, restructurings, conversions, dissolutions, transfers or liquidations. The actions to effect the Restructuring Transactions may include: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable Entities may agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (3) the filing of appropriate certificates or articles of incorporation or amendments thereof, reincorporation, merger, consolidation, conversion or dissolution pursuant to applicable state law; and (4) all other actions that the applicable Entities determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law in connection with the Restructuring Transactions. In the event that a Restructuring Transaction is a merger transaction, upon the consummation of such Restructuring Transaction, each party to such merger shall cease to exist as a separate corporate entity, and thereafter, the surviving Reorganized TSC Debtor shall assume and perform the obligations of each Reorganized TSC Debtor party to such merger under the Plan. In the event a Reorganized TSC Debtor is liquidated, the Reorganized TSC Debtors (or the Reorganized TSC Debtor that owned the stock in such liquidating Reorganized TSC Debtor prior to such liquidation) shall assume and perform the obligations of such liquidating Reorganized TSC Debtor. Implementation of the Restructuring Transactions shall not affect the distributions under the Plan.

M. *Corporate Action*

Upon the Effective Date, all actions contemplated by the Plan shall be deemed authorized and approved in all respects, including (1) selection of the directors and officers of the Reorganized TSC Debtors, (2) the distribution of the New Common Stock as provided herein, (3) the execution and entry into the Exit Facility Agreement and Exit Facility Documents and (4) all other actions contemplated by the Plan (whether to occur before, on or after the Effective Date). All matters provided for in the Plan involving the corporate structure of the TSC Debtors or the Reorganized TSC Debtors, and any corporate action required by the TSC Debtors or the Reorganized TSC Debtors in connection with the Plan shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors or officers of the TSC Debtors or the Reorganized TSC Debtors.

On or (as applicable) before the Effective Date, the appropriate officers of the TSC Debtors or the Reorganized TSC Debtors, as applicable, shall be authorized and, as applicable, directed to issue, execute and deliver the agreements, documents, securities, certificates of incorporation, operating agreements and instruments contemplated by the Plan (or necessary or desirable to effect the transactions contemplated by the Plan) in the name of and on behalf of the Reorganized TSC Debtors, including the New TSC Notes, the New Common Stock, the Exit Facility Agreement and any and all agreements, documents, securities and instruments relating to the foregoing. The authorizations and approvals contemplated by this Article V.M shall be effective notwithstanding any requirements under nonbankruptcy law.

N. *Effectuating Documents; Further Transactions*

On and after the Effective Date, the Reorganized TSC Debtors and the managers, officers and members of the boards of directors thereof are authorized to and may issue, execute, deliver, file or record such contracts, securities, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the Exit Facility Agreement, the terms and conditions of the Plan and the securities issued pursuant to the Plan in the name of and on behalf of the Reorganized TSC Debtors, without the need for any approvals, authorization or consents except for those expressly required pursuant to the Plan.

O. *General Settlement of Claims and Equity Interests*

Subject to Article VII, all distributions made to holders of Allowed Claims and Equity Interests in any Class are intended to be and shall be final and indefeasible.

P. *Section 1146 Exemption from Certain Taxes and Fees*

Pursuant to Bankruptcy Code section 1146(a), no issuance, transfer or exchange of any security, transfer of any property, or making, delivery, filing or recording of any instrument of transfer, in each case in contemplation of, in connection with or pursuant to the Plan (including, for this purpose, in connection with the New Corporate Governance Documents, the Exit Facility Agreement, and the other documents relating to the transactions described in this Article V) shall be subject to any recording tax, stamp tax, transfer tax or other similar tax or governmental assessment in the United States or Canada, and the Confirmation Order shall direct and be deemed to direct the appropriate state or local governmental officials or agents to forgo the collection of any such tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such tax or governmental assessment. Such exemption specifically applies, without limitation, to (1) the creation of any mortgage, deed of trust, Lien or other security interest, (2) the making or assignment of any lease or sublease, (3) any Restructuring Transaction authorized by Article V.L hereof or (4) the making or delivery of any deed or other instrument of transfer under, in furtherance of or in connection with the Plan, including: (a) any merger agreements; (b) agreements of consolidation, restructuring, disposition, liquidation or dissolution; (c) deeds; or (d) assignments executed in connection with any transaction occurring under the Plan.

Q. *D&O Liability Insurance Policies and Indemnification Provisions*

Notwithstanding anything herein to the contrary, as of the Effective Date, the D&O Liability Insurance Policies and Indemnification Provisions belonging or owed to directors, officers and employees of the TSC Debtors (or the estates of any of the foregoing) who served or were employed by the TSC Debtors as of or after the Petition Date, excluding claims resulting from gross negligence, willful misconduct, breach of fiduciary duty or intentional tort, shall be deemed to be, and shall be treated as though they are, Executory Contracts and the TSC Debtors shall assume (and assign to the Reorganized TSC Debtors if necessary to continue such D&O Liability Insurance Policies in full force) all of such D&O Liability Insurance Policies and Indemnification Provisions pursuant to Bankruptcy Code section 365(a). Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the TSC Debtors' foregoing assumption of each such D&O Liability Insurance Policy and Indemnification Provision. The TSC Debtors have obtained tail coverage under a directors' and officers' liability insurance policy for the current directors, officers and managers for a period of six years.⁴ The aggregate amount of all expenses (including, without limitation, the premium) to be paid by TSC with respect to such tail coverage is approximately \$60,000.

In addition, on the Effective Date, the New Corporate Governance Documents of the Reorganized TSC Debtors shall contain provisions that (i) eliminate the personal liability of the TSC Debtors' and the Reorganized TSC Debtors' then-present and future directors and officers for post-emergence monetary damages resulting from breaches of their fiduciary duties to the fullest extent permitted by applicable law in the state in which the subject Reorganized TSC Debtor is organized and (ii) require such Reorganized TSC Debtor, subject to appropriate procedures, to indemnify the TSC Debtors' and the Reorganized TSC Debtors' directors, officers and other key employees (as such key employees are identified by the New Board) serving on or after the Effective Date for all claims and actions to the fullest extent permitted by applicable law in the state in which the subject Reorganized TSC Debtor is organized.

Notwithstanding anything to the contrary, as of the Effective Date, all Indemnification Provisions belonging or owed to directors, officers and employees of the TSC Debtors who served or were employed by the TSC Debtors prior to, but not after, the Petition Date shall be deemed to be, and shall be treated as though they are, Executory Contracts that are rejected pursuant to Bankruptcy Code section 365 under the Plan.

⁴ The current tail coverage policy runs through November 2012, with a minimal cost to further extend coverage.

R. *Preservation of Rights and Causes of Action*

In accordance with Bankruptcy Code section 1123(b), and except where such Causes of Action have been expressly released (including, for the avoidance of doubt, pursuant to the releases by the TSC Debtors provided by Article IX.A hereof), the Reorganized TSC Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, including Causes of Action under chapter 5 of the Bankruptcy Code, whether arising before or after the Petition Date, and the Reorganized TSC Debtors' rights to commence, prosecute or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. No Entity may rely on the absence of a specific reference in the Plan, the Disclosure Statement, the Plan Supplement or the Schedule of Retained Causes of Action to any Cause of Action against them as any indication that the TSC Debtors or Reorganized TSC Debtors, as applicable, will not pursue any and all available Causes of Action against them. Unless any Causes of Action against any Entity are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or a Bankruptcy Court order, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, shall apply to such retained Causes of Action upon, after or as a consequence of the Confirmation or consummation of the Plan.

S. *Payment of Fees and Expenses of Bridge Loan Agent*

On the Effective Date (and thereafter with respect to fees and expenses relating to post-Effective Date service under the Plan) or as soon as reasonably practicable thereafter, the TSC Debtors or Reorganized TSC Debtors shall pay in Cash all reasonable and documented unpaid fees and expenses of the Bridge Loan Agent, the holders of the Bridge Loan Claims and their respective advisors, including counsel. The TSC Debtors or Reorganized TSC Debtors may dispute any portion of such fees and expenses, in which case, (a) the TSC Debtors or Reorganized TSC Debtors shall pay the portion of such fees and expenses that is not specifically disputed and (b) in the absence of a consensual resolution, the Bridge Loan Agent or the Reorganized TSC Debtors shall submit the dispute to the Bankruptcy Court for adjudication. For the avoidance of doubt, nothing herein affects the Bridge Loan Agent's right to exercise its charging lien against distributions to holders of the Bridge Loan Claims.

ARTICLE VI.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. *Assumption and Rejection of Executory Contracts and Unexpired Leases*

Except as otherwise provided herein, or in any contract, instrument, release, indenture or other agreement or document entered into in connection with the Plan, each of the TSC Debtors' Executory Contracts and Unexpired Leases shall be deemed rejected as of the Effective Date, unless such Executory Contract or Unexpired Lease: (1) was assumed or rejected previously by the TSC Debtors; (2) expired or terminated pursuant to its own terms before the Effective Date; (3) is the subject of a motion to assume filed on or before, and pending on, the Effective Date; or (4) is identified on the Assumed Executory Contract and Unexpired Lease List. Each of the TSC Debtors' Executory Contracts and Unexpired Leases that has been, or, pursuant to the terms of this Article VI.A, shall be, rejected shall be identified on the Rejected Executory Contract and Unexpired Lease List.

Entry of the Confirmation Order shall constitute a Bankruptcy Court order approving the assumptions or rejections of such Executory Contracts or Unexpired Leases as set forth in the Plan, all pursuant to Bankruptcy Code sections 365(a) and 1123. The Confirmation Order shall constitute an order of the Bankruptcy Court, (i) approving the assumption and assignment or rejection, as the case may be, of Executory Contracts and Unexpired Leases, as described above, pursuant to Bankruptcy Code sections 365(a) and 1123(b)(2), (ii) providing that the Reorganized TSC Debtors had properly provided for the cure of any defaults that might have existed, (iii) providing that each assumption and assignment was in the best interest of the Reorganized TSC Debtors, their Estates and all parties in interest in the Chapter 11 Cases and (iv) providing that the requirements for assumption and assignment of any Executory Contract or Unexpired Lease to be assumed had been satisfied. Unless otherwise indicated, all assumptions or rejections of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Each Executory Contract or Unexpired Lease assumed pursuant to the Plan or by Bankruptcy Court order but not assigned to a third party before the Effective Date shall revert in and be fully enforceable by the

applicable contracting Reorganized TSC Debtor in accordance with its terms, except as such terms may have been modified by such order. Notwithstanding anything to the contrary in the Plan, the TSC Debtors or the Reorganized TSC Debtors, as applicable, reserve the right to alter, amend, modify or supplement the Rejected Executory Contract and Unexpired Lease List and the Assumed Executory Contract and Unexpired Lease List at any time before the Effective Date; *provided* that, to the extent that, as of the Effective Date, there is any pending dispute between one or more of the TSC Debtors and a counterparty to an Executory Contract or Unexpired Lease regarding such counterparty's Cure Claim, the TSC Debtors and Reorganized TSC Debtors shall reserve the right to remove the applicable Executory Contract or Unexpired Lease from the Assumed Executory Contract and Unexpired Lease List and add it to the Rejected Executory Contract and Unexpired Lease List following the resolution of such dispute, in which event such Executory Contract or Unexpired Lease shall be deemed rejected, and such counterparty shall have any and all rights with respect thereto. After the Effective Date, the Reorganized TSC Debtors shall have the right to terminate, amend or modify any intercompany contracts, leases or other agreements without approval of the Bankruptcy Court.

B. Cure of Defaults for Executory Contracts and Unexpired Leases Assumed

Any monetary defaults under each Executory Contract and Unexpired Lease to be assumed pursuant to the Plan shall be satisfied, pursuant to Bankruptcy Code section 365(b)(1), by payment of the default amount in Cash on the Effective Date, subject to the limitations described below, or on such other terms as the parties to such Executory Contracts or Unexpired Leases may otherwise agree. In the event of a dispute regarding (1) the amount of any payments to cure such a default, (2) the ability of the Reorganized TSC Debtors or any assignee to provide "adequate assurance of future performance" (within the meaning of Bankruptcy Code section 365) under the Executory Contract or Unexpired Lease to be assumed or (3) any other matter pertaining to assumption, the payment of Cure Claims required by Bankruptcy Code section 365(b)(1) shall be made no later than ten business days following the entry of a Final Order or orders resolving the dispute and approving the assumption. At least ten days before the Confirmation Hearing, the TSC Debtors shall distribute, or cause to be distributed, notices of proposed assumption and proposed amounts of Cure Claims to the applicable third parties, which notices shall include procedures for objecting to proposed assumptions of Executory Contracts and Unexpired Leases and any amounts of Cure Claims to be paid in connection therewith and resolution of disputes by the Bankruptcy Court. Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or related Cure Claim amount must be filed, served and actually received by the TSC Debtors at least three days before the Confirmation Hearing. Any counterparty to an Executory Contract or Unexpired Lease that fails to object timely to the proposed assumption or Cure Claim amount will be deemed to have assented to such assumption or Cure Claim amount.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time before the effective date of the assumption. Any Proof of Claim filed with respect to an Executory Contract or Unexpired Lease that has been assumed shall be deemed Disallowed and expunged, without further notice to or action, order or approval of the Bankruptcy Court.

C. Claims Based on Rejection of Executory Contracts or Unexpired Leases

All Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts and Unexpired Leases, if any, must be filed with the Bankruptcy Court on or prior to the later of (i) 30 days after the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection and (ii) 45 days after the date that an Executory Contract or Unexpired Lease is removed from the Assumed Executory Contract and Unexpired Lease List and added to the Rejected Executory Contract and Unexpired Lease List after the Effective Date following the resolution of a pending dispute between one or more of the TSC Debtors and a counterparty to an Executory Contract or Unexpired Lease regarding such counterparty's Cure Claim. Unless otherwise ordered by the Bankruptcy Court or otherwise provided herein, any Claims arising from the rejection of Executory Contracts and Unexpired Leases not filed with the Bankruptcy Court within such time will be automatically Disallowed, forever barred from assertion and shall not be enforceable against the TSC Debtors or the Reorganized TSC Debtors, the Estates or their property without the need for any objection by the Reorganized TSC Debtors or further notice to, or action, order or approval of the Bankruptcy Court. All such Claims shall, as of the

Effective Date, be subject to the discharge and permanent injunction set forth in Article IX hereof. All Allowed Claims arising from the rejection of the TSC Debtors' Executory Contracts and Unexpired Leases shall be classified as Class 4 Unsecured Claims or Class 5 Convenience Claims, as applicable, against the applicable TSC Debtor and shall be treated in accordance with Article III of the Plan. The deadline to object to Claims arising from the rejection of Executory Contracts and Unexpired Leases, if any, shall be the later of (a) 180 days following the date on which such Claim was filed and (b) such other period of limitation as may be specifically fixed by an order of the Bankruptcy Court for objecting to such Claims.

D. *Insurance Policies*

Notwithstanding anything herein to the contrary, as of the Effective Date, the TSC Debtors (in consultation with the Designated Holders) shall assume (and assign to the Reorganized TSC Debtors if necessary to continue the Insurance Policies in full force) each of the Insurance Policies appearing on the Assumed Executory Contract and Unexpired Lease List pursuant to Bankruptcy Code section 365(a). Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the TSC Debtors' foregoing assumption of each such Insurance Policy.

E. *Modifications, Amendments, Supplements, Restatements or Other Agreements*

Unless otherwise provided, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements or other agreements that, in any manner, affect such Executory Contract or Unexpired Lease, and all Executory Contracts and Unexpired Leases related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan.

Modifications, amendments, supplements and restatements to Executory Contracts and Unexpired Leases that have been executed by the TSC Debtors during the Chapter 11 Cases shall not be deemed (unless otherwise agreed by the contract counterparty and the TSC Debtors and approved by the Bankruptcy Court) to alter the pre-petition nature of the Executory Contract or Unexpired Lease, or the validity, priority or amount of any Claims that may arise in connection therewith.

F. *Reservation of Rights*

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Assumed Executory Contract and Unexpired Lease List or the Rejected Executory Contract and Unexpired Lease List, nor anything contained in the Plan, shall constitute an admission by the TSC Debtors that any such contract or lease is, in fact, an Executory Contract or Unexpired Lease or that any Reorganized TSC Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the TSC Debtors or Reorganized TSC Debtors, as applicable, shall have 45 days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

G. *Contracts and Leases Entered into After the Petition Date*

Contracts and leases entered into after the Petition Date by any TSC Debtor, including any Executory Contracts and Unexpired Leases assumed by such TSC Debtor, will be performed by the TSC Debtor or Reorganized TSC Debtor liable thereunder in the ordinary course of its business. Accordingly, such contracts and leases (including any assumed Executory Contracts and Unexpired Leases) will survive and remain unaffected by entry of the Confirmation Order, unless the parties thereto agree to any modifications, amendments, supplements or restatements thereto.

ARTICLE VII.

PROVISIONS GOVERNING DISTRIBUTIONS

A. *Record Date for Distributions*

As of the entry of the Confirmation Order, the various transfer registers for each of the Classes of Claims or Equity Interests as maintained by the TSC Debtors or their respective agents shall be deemed closed, and there shall be no further changes made to reflect any new record holders of any Claims or Equity Interests. The TSC Debtors shall have no obligation to recognize any transfer of Claims or Equity Interests occurring on or after the Distribution Record Date.

B. *Timing and Calculation of Amounts to Be Distributed*

Except as otherwise provided in the Plan, on the Initial Distribution Date (or if a Claim is not an Allowed Claim prior to the Initial Distribution Date, on the first Distribution Date following the date on which such Claim becomes an Allowed Claim), each holder of an Allowed Claim or Equity Interest against the TSC Debtors shall receive the full amount of the distributions that the Plan provides for Allowed Claims or Equity Interests in the applicable Class and in the manner provided herein; *provided* that each holder of an Allowed Unsecured Claim shall receive New TSC Notes in an amount equal to the amount of New TSC Notes to which such holder would be entitled if all Disputed Unsecured Claims on such Distribution Date were Allowed Claims, with the amount of each such Claim to be determined, for the purposes of making a distribution to the holder of such Allowed Unsecured Claim, to be the Distribution Date Amount with respect to such Claim; *provided further* that, on each Distribution Date following the first Distribution Date on which such holder receives a distribution, each holder of an Allowed Unsecured Claim shall receive New TSC Notes in an amount equal to (x) the amount of New TSC Notes that such holder would have received under the immediately preceding proviso if such Claim had become an Allowed Claim immediately prior to such Distribution Date *minus* (y) the aggregate amount of New TSC Notes previously received by such holder. In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VIII hereof. Except as otherwise provided herein, holders of Claims shall not be entitled to interest, dividends or accruals on the distributions provided for herein, regardless of whether such distributions are delivered on or at any time after the Effective Date.

C. *Fractional Distributions*

No fractions of New Common Stock shall be distributed. Cash shall not be distributed under the Plan in denominations of less than one cent (\$0.01). For purposes of distribution, fractions of New Common Stock shall be rounded down to the nearest whole number, and no Cash payments shall be made in connection with such rounding. The Disbursing Agent shall have no obligation to make any distribution of Cash that is less than \$10.00.

D. *Disbursing Agent*

Except as otherwise provided herein, all distributions under the Plan shall be made by the Reorganized TSC Debtors as Disbursing Agent or such other Entity designated by the Reorganized TSC Debtors as a Disbursing Agent on the Effective Date. If the Disbursing Agent is not one of the Reorganized TSC Debtors, such Entity shall obtain a bond or surety for the performance of its duties, and all costs and expenses of procuring any such bond or surety shall be borne by the TSC Debtors or Reorganized TSC Debtors; *provided, however*, that the Bridge Loan Agent shall not be required to obtain such a bond or surety.

E. *Rights and Powers of Disbursing Agent*

1. Powers of the Disbursing Agent

The Disbursing Agent shall be empowered to: (a) effect all actions and execute all agreements, instruments and other documents necessary to perform its duties under the Plan; (b) make all distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Disbursing Agent by order of the Bankruptcy Court, pursuant to the Plan or as deemed by the Disbursing Agent to be necessary and proper to implement the provisions hereof.

2. Expenses Incurred on or After the Effective Date

Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Disbursing Agent in carrying out its obligations under this Article VII of the Plan on or after the Effective Date (including taxes) and any reasonable compensation and expense reimbursement claims (including reasonable attorneys' fees and expenses) made by the Disbursing Agent related thereto shall be paid in Cash by the Reorganized TSC Debtors in their reasonable discretion.

F. *Distributions to Holders of Disputed Claims*

Notwithstanding any provision otherwise in the Plan and except as may be agreed to by the TSC Debtors (in consultation with the Designated Holders) or the Reorganized TSC Debtors, in each case in their sole discretion, and the holder of a Disputed Claim, no partial payments and no partial distributions shall be made with respect to any Disputed Claim until all Disputed Claims held by the holder of such Disputed Claim have become Allowed Claims or have otherwise been resolved by settlement or Final Order.

G. *Delivery of Distributions and Undeliverable or Unclaimed Distributions*

1. Delivery of Distributions in General

Except as otherwise provided in the Plan and subject to Bankruptcy Rule 9010, distributions to holders of Allowed Claims and Equity Interests shall be made to holders of record as of the Distribution Record Date by the Disbursing Agent: (a) to the signatory set forth on any of the Proofs of Claim filed by such holder or other representative identified therein (or at the last known addresses of such holder if no Proof of Claim is filed or if the TSC Debtors have been notified in writing of a change of address); (b) at the addresses set forth in any written notices of address changes delivered to the Disbursing Agent after the date of any related Proof of Claim; (c) at the addresses reflected in the Schedules if no Proof of Claim has been filed and the Disbursing Agent has not received a written notice of a change of address; or (d) on any counsel that has appeared in the Chapter 11 Cases on the holder's behalf. Distributions under the Plan on account of Allowed Claims and Equity Interests shall not be subject to levy, garnishment, attachment or like legal process, so that each holder of an Allowed Claim or Equity Interest shall have and receive the benefit of the distributions in the manner set forth in the Plan. None of the TSC Debtors, the Reorganized TSC Debtors or the applicable Disbursing Agent shall incur any liability whatsoever on account of any distributions under the Plan, except for gross negligence, willful misconduct or fraud.

Except as otherwise provided in the Plan, all distributions to holders of Bridge Loan Claims shall be governed by the Bridge Loan Agreement and shall be deemed completed when made to the Bridge Loan Agent, who shall, in turn, make distributions in accordance with the Bridge Loan Agreement.

2. Undeliverable Distributions and Unclaimed Property

In the event that any distribution to any holder is returned as undeliverable, no distribution to such holder shall be made unless and until the Disbursing Agent has determined the then-current address of such holder, at which time such distribution shall be made as soon as practicable after such distribution has become deliverable or has been claimed to such holder without interest; *provided, however*, that such distributions shall be deemed unclaimed property under Bankruptcy Code section 347(b) and forfeited at the expiration of six months from the

applicable Distribution Date. After such date, all “unclaimed property” or interests in property shall revert to the Reorganized TSC Debtors (notwithstanding any applicable federal or state escheat, abandoned or unclaimed property laws to the contrary), and the Claim of any holder to such property or Equity Interest in property shall be discharged and forever barred.

H. *Hart-Scott-Rodino Compliance*

Any shares of New Common Stock to be distributed under the Plan to any Entity required to file a Premerger Notification and Report Form under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or to meet any similar requirements under applicable non-U.S. law, shall not be distributed until the notification and waiting periods applicable under such law to such entity shall have expired or been terminated.

I. *Withholding and Reporting Requirements*

In connection with the Plan and all instruments issued in connection therewith, the Disbursing Agent and the Reorganized TSC Debtors shall comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority and all distributions under the Plan shall be subject to any such withholding or reporting requirements.

J. *Setoffs*

The TSC Debtors and the Reorganized TSC Debtors may withhold (but not set off except as set forth below) from the distributions called for under the Plan on account of any Allowed Claim an amount equal to any claims, equity interests, rights and Causes of Action of any nature that the TSC Debtors or the Reorganized TSC Debtors may hold against the holder of any such Allowed Claim. In the event that any such claims, equity interests, rights and Causes of Action of any nature that the TSC Debtors or the Reorganized TSC Debtors may hold against the holder of any such Allowed Claim are adjudicated by Final Order or otherwise resolved, the TSC Debtors may, pursuant to Bankruptcy Code section 553 or applicable non-bankruptcy law, set off against any Allowed Claim and the distributions to be made pursuant hereto on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim) the amount of any adjudicated or resolved claims, equity interests, rights and Causes of Action of any nature that the TSC Debtors or the Reorganized TSC Debtors may hold against the holder of any such Allowed Claim, but only to the extent of such adjudicated or resolved amount. Neither the failure to effect such a setoff nor the allowance of any Claim under the Plan shall constitute a waiver or release by the TSC Debtors or the Reorganized TSC Debtors of any such claims, equity interests, rights and Causes of Action that the TSC Debtors or the Reorganized TSC Debtors may possess against any such holder, except as specifically provided herein.

K. *Claims Paid or Payable by Third Parties*

1. Claims or Equity Interests Paid by Third Parties

The TSC Debtors or the Reorganized TSC Debtors, as applicable, shall reduce in part or in full a Claim or Equity Interest to the extent that the holder of such Claim or Equity Interest receives payment in part or in full on account of such Claim or Equity Interest from a party that is not a TSC Debtor or Reorganized TSC Debtor. To the extent a holder of a Claim or Equity Interest receives a distribution on account of such Claim or Equity Interest and receives payment from a party that is not a TSC Debtor or a Reorganized TSC Debtor on account of such Claim or Equity Interest, such holder shall, within two weeks of receipt thereof, repay or return the distribution to the applicable Reorganized TSC Debtor, to the extent the holder’s total recovery on account of such Claim or Equity Interest from the third party and under the Plan exceeds the amount of such Claim or Equity Interest as of the date of any such distribution under the Plan. The failure of such holder to timely repay or return such distribution shall result in such holder owing the applicable Reorganized TSC Debtor annualized interest at the rate of 5.00% on such amount owed for each Business Day after the two-week grace period specified above until the amount is repaid.

2. Claims Payable by Third Parties

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to any of the TSC Debtors' Insurance Policies until the holder of such Allowed Claim has exhausted all remedies with respect to such Insurance Policies. To the extent that one or more of the TSC Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim may be expunged without a Claim objection having to be filed and without any further notice to or action, order or approval of the Bankruptcy Court.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to holders of Allowed Claims shall be in accordance with the provisions of any applicable Insurance Policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the TSC Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

L. *Post-petition Interest*

Unless expressly provided in the Plan, the Confirmation Order, the DIP Financing Order or any contract, instrument, release, settlement or other agreement entered into in connection with the Plan or required by the Bankruptcy Code (including without limitation Bankruptcy Code sections 506(b) and 1129(b)), post-petition interest shall not accrue on or after the Petition Date on account of any Claim.

M. *Section 506(c) Reservation*

The TSC Debtors and the Reorganized TSC Debtors reserve all rights under Bankruptcy Code section 506(c) with respect to any and all Secured Claims, except to the extent waived pursuant to the DIP Financing Order.

N. *Single Satisfaction of Claims*

Holders of Allowed Claims may assert such Claims against each TSC Debtor obligated with respect to such Claim and such Claims shall be entitled to share in the recovery provided for the applicable Class of Claims against each obligated TSC Debtor based upon the full amount of the Allowed Claim. Notwithstanding the foregoing, in no case shall the aggregate value of all property received or retained under the Plan on account of Allowed Claims exceed 100% of the underlying Allowed Claim.

ARTICLE VIII.

**PROCEDURES FOR RESOLVING CONTINGENT,
UNLIQUIDATED AND DISPUTED CLAIMS**

A. *Prosecution of Objections to Claims*

The TSC Debtors (in consultation with the Designated Holders) or the Reorganized TSC Debtors, as applicable, shall have the exclusive authority to file, settle, compromise, withdraw or litigate to judgment any objections to Claims as permitted under the Plan; *provided, however*, that the filing, settlement, compromise, withdrawal or litigation to judgment of any objections to Claims after the Confirmation Date but before the Effective Date shall require the consent of each of the Designated Holders; *provided, further, however*, that if the Designated Holders (or any one Designated Holder) are providing at least 75% of the Exit Facility, the consent of the Designated Holders that are providing such portion of the Exit Facility shall also be required. From and after the Effective Date, the Reorganized TSC Debtors may settle or compromise any Disputed Claim without approval of the Bankruptcy Court. The TSC Debtors reserve all rights to resolve any Disputed Claim outside the Bankruptcy Court under applicable governing law.

B. *Allowance of Claims*

Except as expressly provided herein or in any order entered in the Chapter 11 Cases before the Effective Date (including the Confirmation Order), the Reorganized TSC Debtors after the Effective Date will have and retain any and all rights and defenses held by the TSC Debtors with respect to any Claim as of the Petition Date. All Claims of any Entity against any TSC Debtor shall be Disallowed unless and until such Entity pays, in full, the amount it owes each such TSC Debtor.

C. *Claims Reserve*

On the Effective Date (or as soon thereafter as is reasonably practicable), the Reorganized TSC Debtors shall deposit in the Claims Reserve New TSC Notes in an amount equal to the Aggregate Effective Date Amount.

D. *Distributions After Allowance*

On the Distribution Date following the date that the order or judgment of the Bankruptcy Court allowing any Disputed Claim becomes a Final Order, the Disbursing Agent shall provide to the holder of such Claim the distribution (if any) to which such holder is entitled in accordance with Article VII of the Plan, with interest from the Effective Date only to be paid on account of such Claim (unless otherwise specified by the Plan). For the avoidance of doubt, holders of Allowed Claims will receive the same treatment regardless of whether such Claims are Allowed as of the Effective Date or at some time after the Effective Date.

E. *Distribution of Excess Amounts in the Disputed Claims Reserve*

Any New TSC Notes held in the Claims Reserve after all Disputed Unsecured Claims have become Allowed Claims or been Disallowed shall be cancelled and the accrued interest thereon shall be remitted to the Reorganized TSC Debtors for their own account.

F. *Property Held in the Disputed Claims Reserve*

To the extent the New TSC Notes are distributed to holders of Allowed Unsecured Claims, each holder of (i) a Disputed Unsecured Claim that ultimately becomes an Allowed Unsecured Claim and (ii) with respect to amounts in addition to the distribution made on the Initial Distribution Date, any other Allowed Unsecured Claim will have recourse only to the undistributed New TSC Notes held in the Claims Reserve for satisfaction of the distributions to which holders of Allowed Unsecured Claims are entitled under the Plan. No holder of any Unsecured Claim shall have recourse against any Reorganized TSC Debtor, their property or any assets previously distributed on account of any such Unsecured Claim.

G. *Estimation of Claims*

The TSC Debtors (before the Effective Date) or Reorganized TSC Debtors (on or after the Effective Date) may, at any time, and from time to time, request that the Bankruptcy Court estimate any Disputed Claim pursuant to Bankruptcy Code section 502(c) regardless of whether an objection was previously filed with the Bankruptcy Court with respect to such Claim, or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time including, without limitation, during litigation concerning any objection to any Claim and during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any Disputed Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim against any party or Entity, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the TSC Debtors (before the Effective Date) or the Reorganized TSC Debtors (after the Effective Date), may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim. All of the objection, estimation, settlement and resolution procedures set forth in the Plan are cumulative and not necessarily exclusive of one another. Claims may be estimated and subsequently compromised, objected to, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

H. *Deadline to File Objections to Claims*

Unless otherwise ordered by the Bankruptcy Court, any objections to Claims shall be filed on or before the date that is the later of (a) 180 days after the Effective Date and (b) the last day of such other period of limitation as may be specifically fixed by an order of the Bankruptcy Court for objecting to certain Claims.

ARTICLE IX.

SETTLEMENT, RELEASE, INJUNCTION AND RELATED PROVISIONS

A. *Releases by the TSC Debtors*

Pursuant to Bankruptcy Code section 1123(b), and except as otherwise specifically provided in the Plan or the Plan Supplement, for good and valuable consideration, including the contributions of the Released Parties to facilitate the expeditious reorganization of the TSC Debtors and the implementation of the restructuring contemplated by the Plan and the other contracts, instruments, releases, agreements or documents executed and delivered in connection with the Plan, each Released Party, solely in its capacity as a Released Party, is deemed released and discharged by the TSC Debtors, the Reorganized TSC Debtors, the Estates and their Affiliates from any and all claims, obligations, rights, suits, damages, Causes of Action, remedies and liabilities whatsoever, including any derivative claims, asserted or assertable on behalf of the TSC Debtors, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, fixed or contingent, matured or unmatured, existing or hereinafter arising, in law, equity or otherwise, that the TSC Debtors, the Reorganized TSC Debtors, the Estates or their Affiliates would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Equity Interest or other Entity, based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the TSC Debtors, the Chapter 11 Cases, this Plan or the Disclosure Statement, or related agreements, instruments or other documents, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes gross negligence, fraud or willful misconduct.

B. *Releases by Holders of Claims and Equity Interests*

As of the Effective Date, to the fullest extent permissible under applicable law, as such law may be extended or interpreted subsequent to the Effective Date,⁵ for good and valuable consideration, including the contributions of the Released Parties to facilitate the expeditious reorganization of the TSC Debtors and the implementation of the restructuring contemplated by the Plan and the other contracts, instruments, releases, agreements or documents executed and delivered in connection with the Plan, each holder of a Claim or an Equity Interest who does not opt out of the release provisions in the Plan on their ballot shall be deemed to have conclusively, absolutely, unconditionally, irrevocably and forever, released and discharged the TSC Debtors, the Reorganized TSC Debtors and the Released Parties from any and all Claims, Equity Interests, obligations, rights, suits, damages, causes of action, remedies and liabilities whatsoever, including any derivative Claims, asserted on behalf of a TSC Debtor, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, fixed or contingent, matured or unmatured, existing or hereafter arising, in law, equity or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the TSC Debtors, the Chapter 11 Cases, this Plan or the Disclosure Statement or related agreements, instruments or other documents, other than Claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes gross negligence, fraud or willful misconduct; *provided*, that nothing herein shall be deemed a waiver or release of a Releasing Party's right to receive a distribution pursuant to the terms of this Plan.

⁵ The failure by the Bankruptcy Court to approve these releases shall not render the Plan unconfirmable or otherwise affect the distributions to be made pursuant thereto.

For the avoidance of doubt, if a party who is entitled to vote to accept or reject the Plan fails to return its ballot, such party shall be deemed not to have opted out of the release provisions in the Plan. Any party who is not entitled to vote to accept or reject the Plan shall be deemed to have opted out of the release provisions in this Plan.

C. *Exculpation*

Except as otherwise specifically provided in the Plan or Plan Supplement, no Exculpated Party shall have or incur, and each Exculpated Party is hereby released and exculpated from, any Exculpated Claim, obligation, cause of action or liability for any Exculpated Claim, except any such claim arising out of or relating to any act or omission of an Exculpated Party that constitutes gross negligence, fraud or willful misconduct, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The TSC Debtors and the Reorganized TSC Debtors (and each of their respective Affiliates, agents, directors, officers, employees, advisors and attorneys) have, and upon Confirmation of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the solicitation and distribution of the New Common Stock pursuant to the Plan, and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

Notwithstanding anything herein to the contrary, nothing in the foregoing “Exculpation” shall (1) release any Person or Entity from any liability resulting from any act or omission constituting fraud, willful misconduct, gross negligence, criminal conduct, malpractice, misuse of confidential information that causes damages or ultra vires act as determined by a Final Order or (2) limit the liability of the professionals of the Exculpated Parties to their respective clients pursuant to N.Y. Comp. Codes R. & Regs. tit. 22 § 1200.8 Rule 1.8(h)(1) (2009) or other applicable rules of professional conduct.

D. *Discharge of Claims and Termination of Equity Interests*

Pursuant to Bankruptcy Code section 1141(d), and except as otherwise specifically provided in the Plan, the distributions, rights and treatment that are provided in the Plan or in any contract, instrument or other agreement or document created pursuant to the Plan shall be in full and final satisfaction, settlement, release and discharge, effective as of the Effective Date, of all Claims, Equity Interests and causes of action of any nature whatsoever, including any interest accrued on Claims or Equity Interests from and after the Petition Date, whether known or unknown, against, liabilities of, Liens on, obligations of, rights against and Equity Interests in, the TSC Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Equity Interests, including demands, liabilities and causes of action that arose before the Effective Date, liability (including withdrawal liability) to the extent such Claims or Equity Interests relate to services performed by employees of the TSC Debtors before the Effective Date and arise from a termination of employment, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date and all debts of the kind specified in Bankruptcy Code section 502(g), 502(h) or 502(i), in each case whether or not: (1) a Proof of Claim or Equity Interest based upon such Claim, debt, right or Equity Interest is filed or deemed filed pursuant to Bankruptcy Code section 501; (2) a Claim or Equity Interest based upon such Claim, debt, right or Equity Interest becomes an Allowed Claim or Equity Interest pursuant to Bankruptcy Code section 502; or (3) the holder of such Claim or Equity Interest has accepted the Plan. Except as otherwise provided herein, any default by the TSC Debtors or their Affiliates with respect to any Claim or Equity Interest that existed before or on account of the filing of the Chapter 11 Cases shall be deemed cured on the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Equity Interests subject to the Effective Date occurring, except as otherwise expressly provided in the Plan.

E. *Injunction*

FROM AND AFTER THE EFFECTIVE DATE, ALL ENTITIES ARE PERMANENTLY ENJOINED FROM COMMENCING OR CONTINUING IN ANY MANNER, ANY CAUSE OF ACTION RELEASED OR TO BE RELEASED PURSUANT TO THE PLAN OR THE CONFIRMATION ORDER.

FROM AND AFTER THE EFFECTIVE DATE, TO THE EXTENT OF THE RELEASES AND EXCULPATION GRANTED IN Article IX HEREOF, THE TSC DEBTORS, THE REORGANIZED TSC DEBTORS, THE ESTATES, THEIR RESPECTIVE AFFILIATES AND THE RELEASING PARTIES SHALL BE PERMANENTLY ENJOINED FROM COMMENCING OR CONTINUING IN ANY MANNER AGAINST THE RELEASED PARTIES AND THE EXCULPATED PARTIES AND THEIR ASSETS AND PROPERTIES, AS THE CASE MAY BE, ANY SUIT, ACTION OR OTHER PROCEEDING, ON ACCOUNT OF OR RESPECTING ANY CLAIM, DEMAND, LIABILITY, OBLIGATION, DEBT, RIGHT, CAUSE OF ACTION, INTEREST OR REMEDY RELEASED OR TO BE RELEASED PURSUANT TO Article IX HEREOF.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE PLAN, THE PLAN SUPPLEMENT OR RELATED DOCUMENTS, OR FOR OBLIGATIONS ISSUED PURSUANT TO THE PLAN, ALL ENTITIES WHO HAVE HELD, HOLD OR MAY HOLD CLAIMS AGAINST, OR EQUITY INTERESTS IN, THE TSC DEBTORS THAT HAVE BEEN RELEASED PURSUANT TO Article IX.A OR Article IX.B, DISCHARGED PURSUANT TO Article IX.D OR ARE SUBJECT TO EXCULPATION PURSUANT TO Article IX.C ARE PERMANENTLY ENJOINED, ON AND AFTER THE EFFECTIVE DATE, TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, AS SUCH LAW MAY BE EXTENDED OR INTEGRATED AFTER THE EFFECTIVE DATE, FROM: (1) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR EQUITY INTERESTS; (2) ENFORCING, ATTACHING, COLLECTING OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE OR ORDER AGAINST ANY RELEASED PARTY OR EXCULPATED PARTY ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH CLAIMS OR EQUITY INTERESTS; (3) CREATING, PERFECTING OR ENFORCING ANY ENCUMBRANCE OF ANY KIND AGAINST ANY RELEASED PARTY OR EXCULPATED PARTY OR AGAINST THE PROPERTY OR EQUITY INTERESTS IN PROPERTY OF SUCH RELEASED PARTY OR EXCULPATED PARTY; (4) ASSERTING ANY RIGHT OF SETOFF, RECOUPMENT OR SUBROGATION OF ANY KIND AGAINST ANY OBLIGATION DUE FROM ANY RELEASED PARTY OR EXCULPATED PARTY OR AGAINST THE PROPERTY OR EQUITY INTERESTS IN PROPERTY OF SUCH RELEASED PARTY OR EXCULPATED PARTY ON ACCOUNT OF SUCH CLAIMS OR EQUITY INTERESTS; AND (5) COMMENCING OR CONTINUING IN ANY MANNER, IN ANY PLACE ANY JUDICIAL, ARBITRATION OR ADMINISTRATIVE PROCEEDING IN ANY FORUM THAT DOES NOT COMPLY WITH OR IS INCONSISTENT WITH THE PROVISIONS OF THE PLAN OR THE CONFIRMATION ORDER.

THE RIGHTS AFFORDED IN THE PLAN AND THE TREATMENT OF ALL CLAIMS AND EQUITY INTERESTS HEREIN SHALL BE IN EXCHANGE FOR AND IN COMPLETE SATISFACTION OF ALL CLAIMS AND EQUITY INTERESTS OF ANY NATURE WHATSOEVER, INCLUDING ANY INTEREST ACCRUED ON CLAIMS FROM AND AFTER THE PETITION DATE, AGAINST THE TSC DEBTORS OR ANY OF THEIR ASSETS, PROPERTY OR ESTATES. ON THE EFFECTIVE DATE, ALL SUCH CLAIMS AGAINST THE TSC DEBTORS SHALL BE FULLY RELEASED AND DISCHARGED AND THE EQUITY INTERESTS SHALL BE CANCELLED.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED FOR HEREIN OR IN OBLIGATIONS ISSUED PURSUANT HERETO FROM AND AFTER THE EFFECTIVE DATE, ALL CLAIMS AGAINST THE TSC DEBTORS SHALL BE FULLY RELEASED AND DISCHARGED AND ALL EQUITY INTERESTS SHALL BE CANCELLED AND THE TSC DEBTORS' LIABILITY WITH RESPECT THERETO SHALL BE EXTINGUISHED COMPLETELY, INCLUDING ANY LIABILITY OF THE KIND SPECIFIED UNDER BANKRUPTCY CODE SECTION 502(G).

ALL ENTITIES SHALL BE PRECLUDED FROM ASSERTING AGAINST THE TSC DEBTORS, THE TSC DEBTORS' ESTATES, THE REORGANIZED TSC DEBTORS, EACH OF THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, AND EACH OF THEIR ASSETS AND PROPERTIES ANY OTHER CLAIMS OR EQUITY INTERESTS BASED UPON ANY DOCUMENTS, INSTRUMENTS OR ANY ACT OR OMISSION, TRANSACTION OR OTHER ACTIVITY OF ANY KIND OR NATURE THAT OCCURRED BEFORE THE EFFECTIVE DATE.

F. *Term of Injunctions or Stays*

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to Bankruptcy Code section 105 or 362 or any order of the Bankruptcy Court and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

G. *Injunction Against Interference with Plan*

To the fullest extent permitted by applicable law, upon the entry of the Confirmation Order, all of the Releasing Parties shall be enjoined from taking any actions to interfere with the implementation or consummation of this Plan.

H. *Injunction Related to Releases and Exculpation*

The Confirmation Order shall permanently enjoin the commencement or prosecution by any Person or Entity, whether directly, derivatively or otherwise, of any Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action or liabilities released pursuant to this Plan, including but not limited to the Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action or liabilities released in Article IX.A and Article IX.B of this Plan.

I. *Protection Against Discriminatory Treatment*

Consistent with Bankruptcy Code section 525 and the Supremacy Clause of the U.S. Constitution, all Entities, including governmental units (as defined in Bankruptcy Code section 101(27)), shall not discriminate against the Reorganized TSC Debtors or deny, revoke, suspend or refuse to renew a license, permit, charter, franchise or other similar grant to, condition such a grant to, or discriminate with respect to such a grant against the Reorganized TSC Debtors or another Entity with which such Reorganized TSC Debtors have been associated, solely because one of the TSC Debtors has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the TSC Debtor is granted or denied a discharge) or has not paid a debt that is dischargeable in the Chapter 11 Cases.

J. *Release of Liens*

Except as otherwise provided herein or in any contract, instrument, release or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is an Allowed Secured Claim as of the Effective Date, all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Estates shall be fully released and discharged and all of the right, title and interest of any holder of such mortgages, deeds of trust, Liens, pledges or other security interests shall revert to the Reorganized TSC Debtor and its successors and assigns. For the avoidance of doubt, all mortgages, deeds of trust, Liens, pledges or other security interests against any property of the Estates shall be fully released and discharged on the Effective Date without any further action of any party, including, but not limited to, further order of the Bankruptcy Court, or filing updated schedules or statements typically filed pursuant to the Uniform Commercial Code.

K. *Releases Applicable to United States Government*

Notwithstanding anything contained in the Confirmation Order or the Plan to the contrary, nothing in the Plan or Confirmation Order shall discharge, release, or otherwise preclude: (1) any liability of the TSC Debtors or Reorganized TSC Debtors to the United States, its agencies, departments, or agents (collectively, the "**U.S. Government**") arising on or after the Effective Date; (2) any liability to the U.S. Government that is not a "claim" within the meaning of Bankruptcy Code section 101(5); (3) any valid right of recoupment of the U.S. Government against any of the TSC Debtors; or (4) any liability of the TSC Debtors or Reorganized TSC Debtors arising after

the Effective Date under environmental law to any governmental unit as the owner or operator of property that such entity owns or operates after the Effective Date. Moreover, nothing in the Confirmation Order or the Plan shall release or exculpate any non-TSC Debtor, including any Released Party and/or Exculpated Party, from any liability to the U.S. Government, including but not limited to any liabilities arising under the Internal Revenue Code, the environmental laws, or the criminal laws against any Released Party and/or Exculpated Party, nor shall anything in this Confirmation Order or the Plan enjoin the U.S. Government from bringing any claim, suit, action or other proceeding against any non-TSC Debtor, including any Released Party and/or Exculpated Party, for any liability whatsoever; *provided, however*, that the foregoing sentence shall not limit the scope of discharge granted to the TSC Debtors or Reorganized TSC Debtors under Bankruptcy Code sections 524 and 1141.

As to the United States, nothing in the Plan or Confirmation Order shall limit or expand the scope of discharge or injunction to which the TSC Debtors or Reorganized TSC Debtors are entitled under the Bankruptcy Code. The discharge and injunction provisions contained in the Plan and Confirmation Order are not intended and shall not be construed to bar the United States from, subsequent to the Effective Date, pursuing any police or regulatory action.

ARTICLE X.

CONDITIONS PRECEDENT TO CONFIRMATION OF THE PLAN AND THE EFFECTIVE DATE

A. *Conditions Precedent to Confirmation*

It shall be a condition to Confirmation hereof that the following provisions, terms and conditions shall have been satisfied or waived pursuant to the provisions of Article X.C.

1. The Bankruptcy Court shall have entered a Final Order, in form and substance acceptable to the TSC Debtors, approving the Disclosure Statement with respect to the Plan as containing adequate information within the meaning of Bankruptcy Code section 1125; *provided, however*, that the order approving the Disclosure Statement will be deemed to be a Final Order even if an appeal has been or may be taken, or a petition for certiorari has been or may be filed, and not been resolved so long as the Confirmation Order has not been reversed, stayed, modified or amended.

2. All provisions, terms and conditions hereof shall have been approved in the Confirmation Order, which shall be reasonably satisfactory in form and substance to each of the Designated Holders.

B. *Conditions Precedent to the Effective Date*

It shall be a condition to the Effective Date that the following provisions, terms and conditions shall have been satisfied or waived pursuant to the provisions of Article X.C.

1. The Confirmation Order, which shall include a finding by the Bankruptcy Court that the New Common Stock and New TSC Notes (to the extent the New TSC Notes are securities) to be issued on the Effective Date will be authorized and exempt from registration under applicable securities law pursuant to Bankruptcy Code section 1145 and otherwise reasonably satisfactory in form and substance to each of the Designated Holders and the TSC Debtors, shall be a Final Order; *provided* that the Confirmation Order will be deemed to be a Final Order even if an appeal has been or may be taken, or a petition for certiorari has been or may be filed, and not been resolved so long as the Confirmation Order has not been reversed, stayed, modified or amended.

2. Any amendments or modifications to the Plan made after entry of the Confirmation Order shall be reasonably satisfactory in form and substance to the TSC Debtors and each of the Designated Holders.

3. All of the schedules, documents, supplements and exhibits to the Plan, including the Plan Supplement, shall have been filed in accordance with the consent and/or consultation rights of the Designated Holders set forth in this Plan with respect to such documents.

4. The TSC Debtors shall have executed and delivered appropriate definitive documentation regarding the restructuring, which shall be subject to the consent and/or consultation rights of the Designated Holders set forth in this Plan.

5. All actions, certificates and agreements necessary to implement this Plan, which shall be reasonably satisfactory to the TSC Debtors and, to the extent that the Plan grants a right to consent to any such action, certificate or agreement to any other party, such other party, including, without limitation, the New By-laws, the New Certificate of Incorporation and the Registration Rights Agreement, shall have been effected or executed and delivered to the required parties and, to the extent required, filed with the applicable governmental units in accordance with applicable laws.

6. The Exit Facility Agreement, shall have been executed and delivered by all of the Entities that are parties thereto and all conditions precedent to the consummation thereof shall have been waived or satisfied in accordance with the terms thereof.

7. The TSC Debtors shall have arranged and paid for tail coverage as set forth herein and such tail coverage shall be in full force and effect.

8. The FCC Approval shall have been obtained.

9. All material governmental, regulatory and third party licenses, approvals, waivers and/or consents in connection with the restructuring contemplated herein shall have been obtained and shall remain in full force and effect and there shall exist no claim, action, suit, investigation, litigation or proceedings, pending or threatened in any court or before any arbitrator or governmental instrumentality, that would prohibit the transactions contemplated herein.

C. *Waiver of Conditions*

The conditions to Confirmation of the Plan and the conditions to the occurrence of the Effective Date set forth in Article X.B.1, Article X.B.2, Article X.B.5, Article X.B.6, Article X.B.7, Article X.B.8 and Article X.B.9 may, in each case, be waived at any time only by both of (a) the TSC Debtors and (b) each of the Designated Holders without notice, leave or order of the Bankruptcy Court or any formal action other than proceeding to confirm or consummate the Plan. The ability to waive the condition to the occurrence of the Effective Date set forth in Article X.B.3 shall be consistent with the consent rights corresponding to each applicable Plan and Plan Supplement document. For the avoidance of doubt, entry of the Confirmation Order may not be waived.

D. *Effect of Failure of Conditions*

If the Effective Date does not occur, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any claims by or Claims against the TSC Debtors; (2) prejudice in any manner the rights of the TSC Debtors, any holders of Claims or Equity Interests or any other Entity; or (3) constitute an admission, acknowledgment, offer or undertaking by the TSC Debtors, any holders of Claims or Equity Interests or any other Entity in any respect.

ARTICLE XI.

MODIFICATION, REVOCATION OR WITHDRAWAL OF THE PLAN

A. *Modification and Amendments*

Except as otherwise specifically provided herein, the TSC Debtors reserve the right, in consultation with the Designated Holders, to modify the Plan as to material or immaterial terms prior to Confirmation and seek Confirmation consistent with the Bankruptcy Code and, as appropriate and consistent with the Bankruptcy Code, not re-solicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in Bankruptcy Code section 1127 and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, the TSC

Debtors, with the consent of each of the Designated Holders for material modifications, expressly reserve their rights to alter, amend or modify materially or immaterially the Plan with respect to any or all TSC Debtors, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend or modify the Plan or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan. Any such modification or supplement shall be considered a modification of the Plan and shall be made in accordance with this Article XI. For the avoidance of doubt, non-material modifications may be made by the TSC Debtors in consultation with the Designated Holders.

In addition, prior to the Effective Date, the TSC Debtors (in consultation with the Designated Holders) may make appropriate technical adjustments and modifications to the Plan, without further order or approval of the Bankruptcy Court; *provided, however*, that such technical adjustments and modifications do not adversely affect in a material way the treatment of any holder of Claims or Equity Interests.

B. *Effect of Confirmation on Modifications*

Entry of the Confirmation Order shall mean that all modifications or amendments to the Plan occurring after the solicitation thereof are approved pursuant to Bankruptcy Code section 1127(a) and do not require additional disclosure or re-solicitation under Bankruptcy Rule 3019.

C. *Revocation or Withdrawal of the Plan*

The TSC Debtors (in consultation with the Designated Holders) reserve the right to revoke or withdraw the Plan before the Effective Date. If the TSC Debtors revoke or withdraw the Plan, or if Confirmation or the Effective Date does not occur, then: (1) the Plan shall be null and void in all respects, (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Equity Interest or Class of Claims or Equity Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan and any document or agreement executed pursuant to the Plan shall be deemed null and void and (3) nothing contained in the Plan shall: (a) constitute a waiver or release of any Claims or Equity Interests or Claims by any TSC Debtor against any other Entity, (b) prejudice in any manner the rights of such TSC Debtor or any other Entity or (c) constitute an admission, acknowledgement, offer or undertaking of any sort by such TSC Debtor or any other Entity.

ARTICLE XII.

RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain such jurisdiction over the Chapter 11 Cases and all matters, arising out of or related to, the Chapter 11 Cases and the Plan including jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate or establish the priority, Secured or Unsecured status or amount of any Claim or Equity Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections to the Secured or Unsecured status, priority, amount or allowance of Claims;

2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

3. resolve any matters related to: (a) the assumption, assumption and assignment or rejection of any Executory Contract or Unexpired Lease to which a TSC Debtor is party or with respect to which a TSC Debtor may be liable in any manner and to hear, determine and, if necessary, liquidate any Claims arising therefrom, including Rejection Claims, Cure Claims pursuant to Bankruptcy Code section 365 or any other matter related to such Executory Contract or Unexpired Lease; (b) any potential contractual obligation under any Executory Contract or

Unexpired Lease that is assumed; (c) the Reorganized TSC Debtors amending, modifying or supplementing, after the Effective Date, pursuant to Article VI, the Assumed Executory Contract and Unexpired Lease List and/or the Rejected Executory Contract and Unexpired Lease List; and (d) any dispute regarding whether a contract or lease is or was executory or expired;

4. ensure that distributions to holders of Allowed Claims are accomplished pursuant to the provisions of the Plan;

5. adjudicate, decide or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving a TSC Debtor that may be pending on the Effective Date;

6. adjudicate, decide or resolve any and all matters related to any Cause of Action;

7. adjudicate, decide or resolve any and all matters related to Bankruptcy Code section 1141;

8. enter and enforce any order for the sale of property pursuant to Bankruptcy Code section 363, 1123 or 1146(a);

9. resolve any avoidance or recovery actions under Bankruptcy Code sections 105, 502(d), 542 through 551 and 553;

10. resolve any cases, claims, controversies, suits, disputes or causes of action that may arise in connection with the consummation, interpretation or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

11. resolve any cases, controversies, suits, disputes or causes of action that may arise in connection with or under the DIP Loan Agreement;

12. issue injunctions, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any entity with consummation or enforcement of the Plan;

13. resolve any cases, controversies, suits, disputes or causes of action that may arise in connection with or under the Bridge Loan Agreement;

14. resolve any cases, controversies, suits, disputes or causes of action with respect to the discharge, releases, injunctions, exculpations, indemnifications and other provisions contained in Article IX and enter such orders as may be necessary or appropriate to implement such releases, injunctions and other provisions;

15. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked or vacated;

16. determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture or other agreement or document created in connection with the Plan or the Disclosure Statement;

17. adjudicate any and all disputes arising from or relating to distributions under the Plan;

18. consider any modifications of the Plan, cure any defect or omission or reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

19. determine requests for the payment of Claims and Equity Interests entitled to priority pursuant to Bankruptcy Code section 507, including requests by Professionals for payment of Accrued Professional Compensation;

20. hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Plan or the Confirmation Order, including disputes arising under agreements, documents or instruments executed in connection with the Plan;

21. hear and determine matters concerning state, local and federal taxes in accordance with Bankruptcy Code sections 346, 505 and 1146;

22. hear and determine all disputes involving the existence, nature or scope of the TSC Debtors' discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred before or after the Effective Date;

23. enforce all orders previously entered by the Bankruptcy Court;

24. hear any other matter not inconsistent with the Bankruptcy Code or related statutory provisions setting forth the jurisdiction of the Bankruptcy Court; and

25. enter an order concluding or closing the Chapter 11 Cases.

ARTICLE XIII.

MISCELLANEOUS PROVISIONS

A. Immediate Binding Effect

Subject to the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the TSC Debtors, the Reorganized TSC Debtors and any and all holders of Claims or Equity Interests (irrespective of whether such Claims or Equity Interests have accepted or are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges and injunctions described in the Plan, each Entity acquiring property under the Plan and any and all non-TSC Debtor parties to Executory Contracts and Unexpired Leases with the TSC Debtors.

B. Additional Documents

On or before the Effective Date, the TSC Debtors may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The TSC Debtors or Reorganized TSC Debtors, as applicable, and all holders of Claims and Equity Interests receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. Payment of Fees and Expenses of Each DIP Lender

The TSC Debtors shall promptly pay in full in Cash all reasonable and documented fees and expenses of the Designated Holders and the DIP Lenders (1) that are payable in accordance with the DIP Financing Order, the Plan or a Final Order of the Bankruptcy Court entered in these Chapter 11 Cases or (2) that are incurred in connection with distributions under the Plan and in accordance with the terms hereof.

D. Dissolution of Statutory Committees, If Any

On the Effective Date, any duly appointed statutory committee shall dissolve and members thereof shall be released and discharged from all rights, duties, responsibilities and obligations from or related to the Chapter 11 Cases. In addition, the retention and employment of the Creditors' Committee's and any other statutory committee's attorneys, accountants and other agents shall terminate on the Effective Date.

E. *Successors and Assigns*

The rights, benefits and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign, affiliate, officer, director, manager, agent, representative, attorney, beneficiaries or guardian, if any, of each Entity.

F. *Service of Documents*

After the Effective Date, any pleading, notice or other document required by the Plan to be served on or delivered to the TSC Debtors or the Reorganized TSC Debtors shall be served on:

TerreStar Corporation
344 Maple Avenue West, #275
Vienna, Virginia 22180
Attn: Doug Brandon, General Counsel

with copies to:

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, New York 10036
Attn: Ira Dizengoff
Arik Preis

Akin Gump Strauss Hauer & Feld LLP
1700 Pacific Avenue, Suite 4100
Dallas, Texas 75201
Attn: Sarah Link Schultz

After the Effective Date, the TSC Debtors may, in their sole discretion, notify Entities that, in order to continue receiving documents pursuant to Bankruptcy Rule 2002, such Entities must file a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the TSC Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have filed such renewed requests.

G. *Entire Agreement*

Except as otherwise indicated, the Plan and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings and representations on such subjects, all of which have become merged and integrated into the Plan.

H. *Severability of Plan Provisions*

If, before Confirmation of the Plan, any term or provision of the Plan is held by the Bankruptcy Court or any other court exercising jurisdiction to be invalid, void or unenforceable, the Bankruptcy Court or other court exercising jurisdiction shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the TSC Debtors' consent; and (3) nonseverable and mutually dependent.

I. *Exhibits*

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are filed, copies of such exhibits and documents shall be available upon request to the TSC Debtors' counsel, by contacting Sarah J. Woodell, Akin Gump Strauss Hauer & Feld LLP, 1700 Pacific Avenue, Suite 4100, Dallas, Texas 75201, (214) 969-4278, email: swoodell@akingump.com, at the Bankruptcy Court's website at www.ecf.nysb.uscourts.gov or at the website of the Notice and Claims Agent, at www.TerreStarCorpRestructuring.com. To the extent any exhibit or document included in the Plan Supplement is inconsistent with the terms of the Plan, unless otherwise ordered by the Bankruptcy Court, such exhibit or document shall control.

J. *Votes Solicited in Good Faith*

Upon entry of the Confirmation Order, the TSC Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code and any applicable non-bankruptcy law, and pursuant to Bankruptcy Code section 1125(e), the TSC Debtors and their respective Affiliates, agents, representatives, members, principals, shareholders, officers, directors, employees, advisors and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale and purchase of the New Common Stock offered and sold under the Plan and, therefore, will have no liability for the violation of any applicable law, rule or regulation governing the solicitation of votes on the Plan or the issuance of the New Common Stock offered under the Plan.

K. *Closing of Chapter 11 Cases*

The Reorganized TSC Debtors shall, promptly after the full administration of the Chapter 11 Cases, file with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close the Chapter 11 Cases.

L. *Conflicts*

Except as set forth in the Plan, to the extent that any provision of the Disclosure Statement or any other order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Plan, the Plan shall govern and control; *provided, however*, that if there is a conflict between this Plan and a Plan Supplement document, the Plan Supplement document shall govern and control; and *provided further, however*, that to the extent that any provision of the Plan conflicts with or is in any way inconsistent with any provision of the Confirmation Order, the Confirmation Order shall govern and control.

Dated: June 27, 2012

Respectfully submitted,

TerreStar Corporation (for itself and on behalf of each of the
TSC Debtors)

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