

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2019**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-33117

GLOBALSTAR, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of
Incorporation or Organization)

41-2116508

(I.R.S. Employer Identification No.)

**1351 Holiday Square Blvd.
Covington, Louisiana 70433**

(Address of principal executive offices and zip code)
Registrant's Telephone Number, Including Area Code: **(985) 335-1500**

Securities registered pursuant to section 12(b) of the
Act:

Title of each class	Name of exchange on which registered	Trading Symbol
Voting Common Stock	NYSE American	GSAT

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 26, 2019, 1,450,115,141 shares of voting common stock and no shares of nonvoting common stock were outstanding. Unless the context otherwise requires, references to common stock in this Report mean the Registrant's voting common stock.

FORM 10-Q

GLOBALSTAR, INC.
TABLE OF CONTENTS

	<u>Page</u>
PART I - FINANCIAL INFORMATION	
Item 1. Financial Statements.	1
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.	28
Item 3. Quantitative and Qualitative Disclosures About Market Risk.	37
Item 4. Controls and Procedures.	38
PART II - OTHER INFORMATION	
Item 1. Legal Proceedings.	39
Item 1A. Risk Factors.	39
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.	39
Item 3. Defaults Upon Senior Securities.	39
Item 4. Mine Safety Disclosures.	39
Item 5. Other Information.	39
Item 6. Exhibits.	39
Signatures	40

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

GLOBALSTAR, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(In thousands, except per share data)
(Unaudited)

	Three Months Ended	
	March 31, 2019	March 31, 2018
Revenue:		
Service revenue	\$ 26,119	\$ 26,010
Subscriber equipment sales	3,959	2,739
Total revenue	<u>30,078</u>	<u>28,749</u>
Operating expenses:		
Cost of services (exclusive of depreciation, amortization, and accretion shown separately below)	9,853	9,029
Cost of subscriber equipment sales	3,149	2,172
Marketing, general and administrative	11,606	11,275
Depreciation, amortization and accretion	23,801	19,231
Total operating expenses	<u>48,409</u>	<u>41,707</u>
Loss from operations	<u>(18,331)</u>	<u>(12,958)</u>
Other income (expense):		
Interest income and expense, net of amounts capitalized	(12,870)	(7,353)
Derivative gain	57,008	108,944
Other	(9)	(662)
Total other income	<u>44,129</u>	<u>100,929</u>
Income before income taxes	25,798	87,971
Income tax expense	27	41
Net income	<u>\$ 25,771</u>	<u>\$ 87,930</u>
Other comprehensive income:		
Foreign currency translation adjustments	(270)	(330)
Comprehensive income	<u>\$ 25,501</u>	<u>\$ 87,600</u>
Net income per common share:		
Basic	\$ 0.02	\$ 0.07
Diluted	0.02	0.06
Weighted-average shares outstanding:		
Basic	1,448,318	1,262,336
Diluted	1,632,257	1,437,328

See accompanying notes to unaudited interim condensed consolidated financial statements.

GLOBALSTAR, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except par value and share data)
(Unaudited)

ASSETS	March 31, 2019	December 31, 2018
Current assets:		
Cash and cash equivalents	\$ 13,773	\$ 15,212
Restricted cash	60,574	60,278
Accounts receivable, net of allowance of \$3,652 and \$3,382, respectively	20,037	19,327
Inventory	14,415	14,274
Prepaid expenses and other current assets	24,406	13,410
Total current assets	133,205	122,501
Property and equipment, net	864,200	882,695
Operating lease right of use assets, net	14,587	—
Intangible and other assets, net of accumulated amortization of \$8,180 and \$7,930, respectively	32,916	40,286
Total assets	\$ 1,044,908	\$ 1,045,482
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	\$ 96,249	\$ 96,249
Accounts payable	6,206	6,995
Accrued expenses	34,593	23,085
Payables to affiliates	218	656
Derivative liabilities	542	757
Deferred revenue	31,485	31,938
Total current liabilities	169,293	159,680
Long-term debt, less current portion	374,039	367,202
Operating lease liabilities	13,571	—
Employee benefit obligations	4,541	4,489
Derivative liabilities	89,315	146,108
Deferred revenue	5,513	5,692
Other non-current liabilities	3,261	3,366
Total non-current liabilities	490,240	526,857
Contingencies (Note 8)		
Stockholders' equity:		
Preferred Stock of \$0.0001 par value; 100,000,000 shares authorized and none issued and outstanding at March 31, 2019 and December 31, 2018, respectively	—	—
Series A Preferred Convertible Stock of \$0.0001 par value; one share authorized and none issued and outstanding at March 31, 2019 and December 31, 2018, respectively	—	—
Voting Common Stock of \$0.0001 par value; 1,900,000,000 shares authorized and 1,450,069,483 shares issued and outstanding at March 31, 2019; 1,500,000,000 shares authorized and 1,446,783,645 shares issued and outstanding at December 31, 2018	145	145
Nonvoting Common Stock of \$0.0001 par value; no shares authorized and none issued and outstanding at March 31, 2019; 400,000,000 shares authorized and none issued and outstanding at December 31, 2018	—	—
Additional paid-in capital	1,938,293	1,937,364
Accumulated other comprehensive loss	(4,109)	(3,839)
Retained deficit	(1,548,954)	(1,574,725)
Total stockholders' equity	385,375	358,945
Total liabilities and stockholders' equity	\$ 1,044,908	\$ 1,045,482

See accompanying notes to unaudited interim condensed consolidated financial statements.

GLOBALSTAR, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(In thousands)
(Unaudited)

	Common Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Deficit	Total
Balances – January 1, 2019	1,446,784	\$ 145	\$ 1,937,364	\$ (3,839)	\$ (1,574,725)	\$ 358,945
Net issuance of restricted stock awards, stock for employee stock option exercises and recognition of stock-based compensation	3,285	—	1,000	—	—	1,000
Contribution of services	—	—	47	—	—	47
Recognition of stock-based compensation of employee stock purchase plan	—	—	77	—	—	77
Stock offering issuance costs	—	—	(195)	—	—	(195)
Other comprehensive loss	—	—	—	(270)	—	(270)
Net income	—	—	—	—	25,771	25,771
Balances – March 31, 2019	1,450,069	\$ 145	\$ 1,938,293	\$ (4,109)	\$ (1,548,954)	\$ 385,375

	Common Shares	Common Stock Amount	Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Deficit	Total
Balances – January 1, 2018	1,261,949	\$ 126	\$ 1,869,339	\$ (6,939)	\$ (1,571,302)	\$ 291,224
Net issuance of restricted stock awards and recognition of stock-based compensation	1,165	—	1,853	—	—	1,853
Recognition of stock-based compensation of employee stock purchase plan	—	—	84	—	—	84
Contribution of services	—	—	137	—	—	137
Other comprehensive loss	—	—	—	(330)	—	(330)
Impact of adoption of ASC 606	—	—	—	—	3,093	3,093
Net income	—	—	—	—	87,930	87,930
Balances – March 31, 2018	1,263,114	\$ 126	\$ 1,871,413	\$ (7,269)	\$ (1,480,279)	\$ 383,991

See accompanying notes to unaudited interim condensed consolidated financial statements.

GLOBALSTAR, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended	
	March 31, 2019	March 31, 2018
Cash flows provided by (used in) operating activities:		
Net income	\$ 25,771	\$ 87,930
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation, amortization and accretion	23,801	19,231
Change in fair value of derivative assets and liabilities	(57,008)	(108,944)
Stock-based compensation expense	1,091	1,150
Amortization of deferred financing costs	2,198	1,658
Provision for bad debts	846	361
Noncash interest and accretion expense	4,505	2,400
Unrealized foreign currency (gain) loss	(88)	590
Other, net	1	(40)
Changes in operating assets and liabilities:		
Accounts receivable	(1,676)	(269)
Inventory	(107)	(403)
Prepaid expenses and other current assets	(6,797)	13
Other assets	1,041	172
Accounts payable and accrued expenses	9,122	5,365
Payables to affiliates	(439)	71
Other non-current liabilities	(248)	(104)
Deferred revenue	(688)	651
Net cash provided by operating activities	<u>1,325</u>	<u>9,832</u>
Cash flows used in investing activities:		
Second-generation network costs (including interest)	(793)	(341)
Property and equipment additions	(1,013)	(1,397)
Purchase of intangible assets	(455)	(648)
Net cash used in investing activities	<u>(2,261)</u>	<u>(2,386)</u>
Cash flows provided by (used in) financing activities:		
Payments for debt and equity issuance costs	(195)	—
Proceeds from issuance of common stock and exercise of options and warrants	2	—
Net cash used in financing activities	<u>(193)</u>	<u>—</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(14)	(22)
Net increase (decrease) in cash, cash equivalents and restricted cash	(1,143)	7,424
Cash, cash equivalents and restricted cash, beginning of period	75,490	105,279
Cash, cash equivalents and restricted cash, end of period	<u>\$ 74,347</u>	<u>\$ 112,703</u>
	As of:	
	March 31, 2019	December 31, 2018
Reconciliation of cash, cash equivalents and restricted cash		
Cash and cash equivalents	\$ 13,773	\$ 15,212
Restricted cash (See Note 5 for further discussion on restrictions)	60,574	60,278
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	<u>\$ 74,347</u>	<u>\$ 75,490</u>

	Three Months Ended	
	March 31, 2019	March 31, 2018
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ —	\$ 39
Supplemental disclosure of non-cash financing and investing activities:		
Increase in capitalized accrued interest for second-generation network costs	\$ 78	\$ 1,330

See accompanying notes to unaudited interim condensed consolidated financial statements.

GLOBALSTAR, INC.

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

Globalstar, Inc. (“Globalstar” or the “Company”) provides Mobile Satellite Services (“MSS”) including voice and data communications services through its global satellite network. Thermo Capital Partners LLC, through its affiliates (collectively, “Thermo”), is the principal owner and largest stockholder of Globalstar. The Company’s Executive Chairman of the Board controls Thermo. Two other members of the Company’s Board of Directors are also directors, officers or minority equity owners of various Thermo entities.

The Company has prepared the accompanying unaudited interim condensed consolidated financial statements in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) for interim financial information. Certain information and footnote disclosures normally in financial statements have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”); however, management believes the disclosures made are adequate to make the information presented not misleading. These financial statements and notes should be read in conjunction with the consolidated financial statements and notes thereto included in the Globalstar Annual Report on Form 10-K for the year ended December 31, 2018, as filed with the SEC on February 28, 2019 (the “2018 Annual Report”), and Management’s Discussion and Analysis of Financial Condition and Results of Operations herein.

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from estimates. The Company evaluates estimates on an ongoing basis. Significant estimates include the value of derivative instruments, the allowance for doubtful accounts, the net realizable value of inventory, the useful life and value of property and equipment, the value of stock-based compensation and income taxes.

These unaudited interim condensed consolidated financial statements include the accounts of Globalstar and all its subsidiaries. All significant intercompany transactions and balances have been eliminated in the consolidation. In the opinion of management, the information included herein includes all adjustments, consisting of normal recurring adjustments, that are necessary for a fair presentation of the Company’s condensed consolidated statements of operations, condensed consolidated balance sheets, condensed consolidated statements of stockholders’ equity and condensed consolidated statements of cash flows for the periods presented. The results of operations for the three months ended March 31, 2019 are not necessarily indicative of the results that may be expected for the full year or any future period.

Recently Issued Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Updates (“ASU”) No. 2016-13, *Credit Losses, Measurement of Credit Losses on Financial Instruments*. ASU No. 2016-13 significantly changes how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The standard will replace today’s incurred loss approach with an expected loss model for instruments measured at amortized cost. Entities will apply the standard’s provisions as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. This ASU is effective for public entities for annual and interim periods beginning after December 15, 2019. Early adoption is permitted for all entities for annual periods beginning after December 15, 2018, and interim periods therein. The Company has not yet determined the impact this standard will have on its financial statements and related disclosures.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*. As part of the FASB’s disclosure framework project, it has eliminated, amended and added disclosure requirements for fair value measurements. Entities will no longer be required to disclose the amount of, and reasons for, transfers between Level 1 and Level 2 of the fair value hierarchy, the policy of timing of transfers between levels of the fair value hierarchy and the valuation processes for Level 3 fair value measurements. Public companies will be required to disclose the range and weighted average used to develop significant unobservable inputs for Level 3 fair value measurements. This ASU is effective for public entities for annual and interim periods beginning after December 15, 2019. Early adoption is permitted as of the beginning of any interim or annual reporting period. This ASU will have an impact on the Company’s disclosures.

In August 2018, the FASB issued ASU No. 2018-14, *Compensation - Retirement Benefits - Defined Benefit Plans - General Disclosure Framework - Changes to the Disclosure Requirements for Defined Benefit Plans*. As part of the FASB's disclosure framework project, it has changed the disclosure requirements for defined pension and other post-retirement benefit plans. The FASB eliminated disclosure requirements related to the amounts in accumulated other comprehensive income expected to be recognized as components of net periodic benefit cost over the next fiscal year, the amount and timing of plan assets expected to be returned to the employer, if any, information related to Japanese Welfare Pension Insurance Law, information about the amount of future annual benefits covered by insurance contracts and significant transactions between the employer or related parties and the plan, and the disclosure of the effects of a one-percentage-point change in the assumed health care cost trend rates on the (1) aggregate of the service and interest cost components of net periodic benefit costs and the (2) benefit obligation for postretirement health care benefits. Entities will be required to disclose the weighted-average interest crediting rate for cash balance plans and other plans with promised interest crediting rates as well as an explanation of the reasons for significant gains and losses related to changes in the benefit obligation for the period. This ASU is effective for public entities for annual periods beginning after December 15, 2020. Early adoption is permitted as of the beginning of any annual reporting period. This ASU will have an impact on the Company's disclosures.

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles - Goodwill and Other - Internal-Use Software Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. This ASU requires companies to defer specified implementation costs in a cloud computing arrangement that are often expensed under current US GAAP and recognize these costs to expense over the noncancellable term of the arrangement. This ASU is effective for public entities for annual and interim periods beginning after December 15, 2019. Early adoption is permitted as of the beginning of any interim or annual reporting period. The Company does not expect it to have a material effect on the Company's financial statements and related disclosures.

Recently Issued Financial Reporting Rules

In April 2019, the SEC adopted the final rules under SEC Releases 33-10618 and 34-85381, *FAST Act Modernization and Simplification of Regulation S-K*. Among other things, the amendments 1) allow registrants who present financial statements covering three years in their periodic reports to omit discussion of the earliest year from management's discussion and analysis if the discussion was included in a prior filing, 2) allow registrants to omit certain information and exhibits from their periodic reports without submitting confidential treatment requests to the Commission, 3) clarify and streamline certain risk factor and property disclosure requirements, 4) require all filings to include hyperlinks to information that is incorporated by reference in current filings to the information available on EDGAR, as applicable, and 5) require registrants to apply XBRL tags to certain information on cover pages of SEC filings. The amended rules will become effective May 2, 2019 and will be applied to any filings after that date, except for the confidential treatment amendments, which became effective on April 2, 2019 and the XBRL tagging requirement, which is effective for large accelerated and accelerated filers for fiscal reports ending on or after June 15, 2019 and 2020, respectively. The Company does not expect these final rules to have a material impact on its disclosures and financial statements.

Recently Adopted Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. ASU 2016-02 became effective for annual reporting periods beginning after December 15, 2018. ASU 2016-02 amended the FASB Accounting Standards Codification ("ASC") and created a new ASC Topic 842, "Leases" ("ASC 842"). The Company adopted this standard on January 1, 2019. See Note 3: Leases for further discussion, including the impact on the Company's condensed consolidated financial statements and required disclosures.

In February 2018, the FASB issued ASU No. 2018-02, *Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*. This guidance allows companies to reclassify items in accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the H.R.1, "An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018" (the "Tax Act") (previously known as "The Tax Cuts and Jobs Act"). This ASU is effective for all entities for annual and interim periods beginning after December 15, 2018. The Company adopted this standard on January 1, 2019. The adoption of this standard did not have a material effect on the Company's financial statements or related disclosures.

In June 2018, the FASB issued ASU No. 2018-07, *Compensation - Stock Compensation: Improvements to Nonemployee Share-Based Payment Accounting*. ASU 2018-07 aligns the accounting for share-based payment awards issued to employees and nonemployees. Measurement of equity-classified nonemployee awards will now be valued on the grant date and will no longer be remeasured through the performance completion date. This amendment also changes the accounting for nonemployee awards with performance conditions to recognize compensation cost when achievement of the performance condition is probable, rather than upon achievement of the performance condition, as well as eliminating the requirement to reassess the equity or liability

classification for nonemployee awards upon vesting, except for certain award types. This ASU is effective for public entities for annual and interim periods beginning after December 15, 2018. The Company adopted this standard on January 1, 2019. The adoption of this standard did not have a material effect on the Company's financial statements or related disclosures.

2. REVENUE

The following table discloses revenue disaggregated by type of product and service (amounts in thousands):

	Three Months Ended	
	March 31, 2019	March 31, 2018
Service revenue:		
Duplex	\$ 8,645	\$ 8,783
SPOT	13,095	12,962
Commercial IoT	3,698	3,089
IGO	166	209
Other	515	967
Total service revenue	26,119	26,010
Subscriber equipment sales:		
Duplex	\$ 251	\$ 431
SPOT	1,591	1,474
Commercial IoT	2,072	833
Other	45	1
Total subscriber equipment sales	3,959	2,739
Total revenue	\$ 30,078	\$ 28,749

The Company attributes equipment revenue to various countries based on the location where equipment is sold. Service revenue is generally attributed to the various countries based on the Globalstar entity that holds the customer contract. The following table discloses revenue disaggregated by geographical market (amounts in thousands):

	Three Months Ended	
	March 31, 2019	March 31, 2018
Service revenue:		
United States	\$ 19,252	\$ 18,380
Canada	3,811	4,486
Europe	2,122	2,246
Central and South America	564	569
Others	370	329
Total service revenue	26,119	26,010
Subscriber equipment sales:		
United States	\$ 2,211	\$ 1,595
Canada	812	350
Europe	577	389
Central and South America	312	388
Others	47	17
Total subscriber equipment sales	3,959	2,739
Total revenue	\$ 30,078	\$ 28,749

Contract Balances

The following table discloses information about accounts receivable, costs to obtain a contract, and contract liabilities from contracts with customers (amounts in thousands):

	March 31, 2019	December 31, 2018
Accounts receivable	\$ 20,037	\$ 19,327
Capitalized costs to obtain a contract	1,970	2,018
Contract liabilities	36,998	37,630

Accounts Receivable

Included in the accounts receivable balance in the table above are contract assets, which represent primarily unbilled amounts related to performance obligations satisfied by the Company of \$0.9 million and \$0.7 million as of March 31, 2019 and December 31, 2018, respectively.

The Company has agreements with certain of its independent gateway operators ("IGOs") whereby the parties net settle outstanding payables and receivables between the respective entities on a periodic basis. As of March 31, 2019, \$7.5 million related to these agreements was included in accounts receivable on the Company's condensed consolidated balance sheet.

During the three months ended March 31, 2019 and March 31, 2018, impairment loss on receivables from contracts with customers was \$1.8 million and \$0.9 million, respectively, including both provisions for bad debt and the reversal of revenue for accounts where collectability is not reasonably assured. The increase in the impairment loss on receivables during the three months ended March 31, 2019 compared to the same period in 2018 was driven primarily by a specific reserve related to one of the Company's IGOs.

Costs to Obtain a Contract

The Company also capitalizes costs to obtain a contract, which include certain deferred subscriber acquisition costs which are amortized consistently with the pattern of transfer of the good or delivery of the service to which the asset relates. The Company's subscriber acquisition costs primarily include dealer and internal sales commissions and certain other costs, including but not limited to, promotional costs, cooperative marketing credits and shipping and fulfillment costs. The Company capitalizes incremental costs to obtain a contract to the extent it expects to recover them. These capitalized contract costs include only internal and external initial activation commissions because these costs are considered incremental and would not have been incurred if the contract had not been obtained. These capitalized costs are included in other assets on the Company's condensed consolidated balance sheet and are amortized to marketing, general and administrative expenses on the Company's condensed consolidated statement of operations on a straight-line basis over the estimated customer life of three years, which considers anticipated contract renewals. For each of the three months ended March 31, 2019 and March 31, 2018, the amount of amortization related to capitalized costs to obtain a contract was \$0.4 million, respectively.

Contract Liabilities

Contract liabilities, which are included in deferred revenue on the Company's condensed consolidated balance sheet, represent the Company's obligation to transfer service or equipment to a customer for which it has previously received consideration from a customer. As of March 31, 2019, the total transaction price allocated to unsatisfied (or partially unsatisfied) performance obligations was \$37.0 million. The amount of revenue recognized during the three months ended March 31, 2019 from performance obligations included in the contract liability balance at the beginning of the 2019 period was \$13.7 million. The amount of revenue recognized during the three months ended March 31, 2018 from performance obligations included in the contract liability balance at the beginning of the 2018 period was \$13.3 million.

In general, the duration of the Company's contracts is one year or less; however, from time to time, the Company offers multi-year contracts. As of March 31, 2019, the Company expects to recognize \$31.5 million, or approximately 85%, of its remaining performance obligations during the next twelve months and \$2.6 million, or approximately 7%, between two to seven years from the balance sheet date. The remaining \$2.9 million, or approximately 8%, is related to a single contract and will be recognized as work is performed by the Company, the timing of which is currently unknown.

3. LEASES

Adoption of ASC Topic 842 “Leases”

On January 1, 2019, the Company adopted ASC 842 using the modified retrospective method. The Company has presented financial results and applied its accounting policies for the period beginning January 1, 2019 under ASC 842, while prior period results and accounting policies have not been adjusted and are reflected under legacy GAAP pursuant to ASC 840.

In connection with the adoption of ASC 842, the Company performed an analysis of contracts under ASC 840 to ensure proper assessment of leases (or embedded leases) in existence as of January 1, 2019. The Company elected the package of practical expedients permitted under ASC 842, which allows the Company not to reassess 1) whether any expired or existing contracts as of the adoption date are or contain a lease, 2) lease classification for any expired or existing leases as of the adoption date and 3) initial direct costs for any existing leases as of the adoption date.

The most significant impact of applying ASC 842 was the recognition of right-of-use assets and lease liabilities for operating leases in its condensed consolidated balance sheet. For finance leases, the accounting remained generally consistent with legacy GAAP; however, the existing capital lease and obligation for these leases have been reclassified to a right-of-use asset and lease liability. On January 1, 2019, the Company recognized an initial operating right-of-use asset of \$3.3 million and associated operating lease liabilities of \$3.7 million. During the first quarter of 2019, the Company entered into additional leases, most significantly a lease agreement for its new headquarters location (see further discussion in Note 9: Related Party Transactions), resulting in the recognition of additional right-of-use assets and associated lease liabilities of \$11.7 million. There was no impact to opening retained deficit as of January 1, 2019.

Leases

The Company has operating and finance leases for facilities and equipment throughout the United States and around the world, including corporate offices, satellite control centers, ground control centers, gateways and certain equipment.

Upon inception of a contract, the Company evaluates if the contract, or part of the contract, contains a lease. A lease conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Leases include both a right-of-use asset and a lease liability. The right-of-use asset represents the Company’s right to use the underlying asset in the lease. Certain initial direct costs associated with consummating a lease are included in the initial measurement of the right-of-use asset. The right-of-use asset also includes prepaid lease payments and lease incentives. The lease liability represents the present value of the remaining lease payments discounted using the implicit rate in the lease on the lease commencement date. For leases in which the implicit rate is not readily determinable, an estimated incremental borrowing rate is used, which represents a rate of interest that the Company would pay to borrow on a collateralized basis over a similar term. The Company has elected to combine lease and nonlease components, if applicable. As of March 31, 2019, there are no leases not yet commenced that create significant rights and obligations.

For operating leases, the Company records lease expense on a straight-line basis over the lease term in either marketing, general and administrative expense or cost of services, depending on the nature of the underlying asset. For finance leases, the Company records the amortization of the right-of-use asset through depreciation, amortization and accretion expense and records the interest expense on the lease liability through interest expense, net, using the effective interest method.

Variable lease payments are payments made to a lessor due to changes in circumstances occurring after the commencement date. Variable lease payments dependent upon an index or rate are included in the measurement of the lease liability; all other variable lease payments are not included in the measurement of the lease liability and recognized when incurred. Variable lease payments excluded from the measurement of the lease liability are uncommon for the Company.

The Company’s leases have remaining lease terms of 1 year to 13 years. Lease terms include renewal or termination options that the Company is reasonably certain to exercise. For leases with a term of twelve months or less, the Company does not record a right-of-use asset and associated lease liability on its condensed consolidated balance sheet.

The Company reviews the carrying value of its right-of-use assets for impairment whenever events or changes in circumstances indicate that the recorded value may not be recoverable. Recoverability of assets is measured by comparing the carrying amounts of the assets to the estimated future undiscounted cash flows, excluding financing costs. If the Company determines that an impairment exists, any related impairment loss is estimated based on fair values.

The following tables disclose the components of the Company’s finance and operating leases (amounts in thousands):

	Three Months Ended March 31, 2019
Operating leases:	
Right-of-use asset, net	\$ 14,587
Short-term lease liability (as recorded in accrued expenses)	1,376
Long-term lease liability	13,571
Total operating lease liabilities	<u>\$ 14,947</u>
Finance leases:	
Right-of-use asset, net (as recorded in intangible and other current assets, net)	\$ 174
Short-term lease liability (as recorded in accrued expenses)	94
Long-term lease liability (as recorded in non-current liabilities)	63
Total finance lease liabilities	<u>\$ 157</u>

Impact on Financial Statements

The following table summarizes the impact of the adoption of ASC 842 on the Company's condensed consolidated balance sheet. There was no impact on the Company's condensed consolidated statement of operations as a result of this adoption. Amounts are in thousands.

Condensed Consolidated Balance Sheet As of March 31, 2019

	Impact on change in accounting policy		
	As reported March 31, 2019	Impact of ASC 842	Legacy GAAP
Right-of-use asset, net	\$ 14,587	\$ (14,587)	\$ —
Intangible and other assets, net	174	(174)	—
Property and equipment, net	—	174	174
Accrued expenses	1,471	(1,267)	204
Lease liabilities	13,571	(13,571)	—
Other non-current liabilities	63	—	63

Lease Cost

The components of lease cost are reflected in the table below (amounts in thousands). As noted above, prior periods have not been adjusted under the modified retrospective method of adoption.

	Three Months Ended March 31, 2019
Operating lease cost:	
Amortization of right-of-use assets	\$ 409
Interest on lease liabilities	130
Finance lease cost:	
Amortization of right-of-use assets	26
Interest on lease liabilities	3
Short-term lease cost	169
Total lease cost	<u>\$ 737</u>

Weighted-Average Remaining Lease Term and Discount Rate

The following table discloses the weighted-average remaining lease term and discount rate for finance and operating leases.

	Three Months Ended March 31, 2019
Weighted-average lease term	
Finance leases	2.0 years
Operating Leases	9.3 years
Weighted-average discount rate	
Finance leases	7.8%
Operating leases	8.4%

Maturity Analysis

The following table reflects undiscounted cash flows on an annual basis for the Company's lease liabilities as of March 31, 2019 (amounts in thousands):

	Operating Leases	Finance Leases
2019 (remaining)	\$ 1,949	\$ 78
2020	2,542	72
2021	1,952	11
2022	1,851	6
2023	1,894	3
2024	1,894	—
Thereafter	8,810	—
Total lease payments	\$ 20,892	\$ 170
Imputed interest	(5,945)	(13)
Discounted lease liability	\$ 14,947	\$ 157

4. PROPERTY AND EQUIPMENT

Property and equipment consists of the following (in thousands):

	March 31, 2019	December 31, 2018
Globalstar System:		
Space component		
First and second-generation satellites in service	\$ 1,195,291	\$ 1,195,291
Second-generation satellite, on-ground spare	32,481	32,481
Ground component	269,293	256,850
Construction in progress:		
Ground component	10,593	18,068
Next-generation software upgrades	2,087	2,250
Other	1,585	2,699
Total Globalstar System	1,511,330	1,507,639
Internally developed and purchased software	18,644	26,045
Equipment	9,773	10,097
Land and buildings	3,304	3,311
Leasehold improvements	1,321	1,478
Total property and equipment	1,544,372	1,548,570
Accumulated depreciation	(680,172)	(665,875)
Total property and equipment, net	\$ 864,200	\$ 882,695

Amounts in the above table consist primarily of costs incurred related to the construction of the Company's second-generation constellation and ground upgrades. The remaining ground component of construction in progress represents costs (including capitalized interest) associated with the Company's contracts primarily with Hughes Network Systems, LLC ("Hughes") and Ericsson Inc. ("Ericsson") to upgrade the Company's ground infrastructure in certain regions around the world. These gateway assets will be deployed based on coverage optimization. In January 2019, the Company completed technology upgrades to allow customers to use Sat-Fi2™ in certain areas of Latin America. Accordingly, it placed into service approximately \$7.9 million of construction in progress (including capitalized interest) related to the deployment of two RANs to this region. The ground component of construction in progress also includes costs (including capitalized interest) associated with the Company's contract for the procurement and production of new gateway antennas.

Additionally, during the first quarter of 2019, a portion of internally developed and purchased software assets that were previously placed into service reached the end of their depreciable life. Accordingly, these assets were retired, which drove the decrease in the table above.

Amounts included in the Company's second-generation satellite, on-ground spare balance as of March 31, 2019 and December 31, 2018, consist primarily of costs related to a spare second-generation satellite that has not been placed in orbit, but is capable of being included in a future launch. As of March 31, 2019, this satellite has not been placed into service; therefore, the Company has not started to record depreciation expense.

5. LONG-TERM DEBT AND OTHER FINANCING ARRANGEMENTS

Long-term debt consists of the following (in thousands):

	March 31, 2019			December 31, 2018		
	Principal Amount	Unamortized Discount and Deferred Financing Costs	Carrying Value	Principal Amount	Unamortized Discount and Deferred Financing Costs	Carrying Value
Facility Agreement	\$ 389,390	\$ 22,115	\$ 367,275	\$ 389,390	\$ 24,355	\$ 365,035
Loan Agreement with Thermo	123,329	21,695	101,634	119,702	22,665	97,037
8.00% Convertible Senior Notes Issued in 2013	1,379	—	1,379	1,379	—	1,379
Total Debt	514,098	43,810	470,288	510,471	47,020	463,451
Less: Current Portion	96,249	—	96,249	96,249	—	96,249
Long-Term Debt	\$ 417,849	\$ 43,810	\$ 374,039	\$ 414,222	\$ 47,020	\$ 367,202

The principal amounts shown above include payment of in-kind interest, as applicable. The carrying value is net of deferred financing costs and any discounts to the loan amounts at issuance, including accretion, as further described below. The current portion of long-term debt represents the scheduled principal repayments under the Facility Agreement due within one year of the balance sheet date and the total outstanding balance of the Company's 8.00% Convertible Senior Notes Issued in 2013 (the "2013 8.00% Notes") based on the put and call features in these notes. The Company believes that the principal payments due in June and December 2019 under the Facility Agreement will be in excess of its available sources of cash in order to also maintain compliance with the required balance in the debt service reserve account. The Company intends to raise funds in sufficient amounts to meet its obligations or, alternatively, seek an amendment to or refinancing of these debt obligations; however, the source of funds has not yet been arranged nor have the terms of any such amendment or refinancing been determined.

Facility Agreement

In 2009, the Company entered into the Facility Agreement with a syndicate of bank lenders, including BNP Paribas, Société Générale, Natixis, Crédit Agricole Corporate and Investment Bank (formerly Calyon) and Crédit Industriel et Commercial, as arrangers, and BNP Paribas, as the security agent. The Facility Agreement was amended and restated in July 2013, August 2015 and June 2017.

The Facility Agreement is scheduled to mature in December 2022. As of March 31, 2019, the Facility Agreement was fully drawn. Semi-annual principal repayments began in December 2014. Indebtedness under the facility bears interest at a floating rate of LIBOR plus 3.75% through June 2019, increasing by an additional 0.5% each year thereafter to a maximum rate of LIBOR plus 5.75%. Interest on the Facility Agreement is payable semi-annually in arrears on June 30 and December 31 of each calendar year. Ninety-five percent of the Company's obligations under the Facility Agreement are guaranteed by Bpifrance Assurance Export S.A.S. ("BPIFAE") (formerly COFACE), the French export credit agency. The Company's obligations under the Facility Agreement are guaranteed on a senior secured basis by all of its domestic subsidiaries and are secured by a first priority lien on substantially all of the assets of the Company and its domestic subsidiaries (other than their FCC licenses), including patents and trademarks, 100% of the equity of the Company's domestic subsidiaries and 65% of the equity of certain foreign subsidiaries.

The Facility Agreement contains customary events of default and requires that the Company satisfy various financial and non-financial covenants. The covenants in the Facility Agreement limit the Company's ability to, among other things, incur or guarantee additional indebtedness; make certain investments, acquisitions or capital expenditures above certain agreed levels; pay dividends or repurchase or redeem capital stock or subordinated indebtedness; grant liens on its assets; incur restrictions on the ability of its subsidiaries to pay dividends or to make other payments to the Company; enter into transactions with its affiliates; merge or consolidate with other entities or transfer all or substantially all of its assets; and transfer or sell assets. Additionally, the Company has a required reserve being held with its credit card processor to address any liability arising from potential charge-backs given the growth in both volume and amount of the Company's annual service subscriptions, among other factors. The Company is in the process of transitioning to an alternative credit card processor and expects that the total cash required to be withheld will decrease to \$5.0 million by the third quarter of 2019 and remain at approximately this level. The Company is in discussions with its senior lenders to evaluate if this reserve impacts the terms of the Facility Agreement.

In calculating compliance with the financial covenants of the Facility Agreement, the Company may include certain cash funds contributed to the Company from the issuance of the Company's common stock and/or subordinated indebtedness. These funds are referred to as "Equity Cure Contributions" and may be used to achieve compliance with financial covenants through December 2019. If the Company violates any covenants and is unable to obtain a sufficient Equity Cure Contribution or obtain a waiver, or is unable to make payments to satisfy its debt obligations under the Facility Agreement when due and is unable to obtain a waiver, it would be in default under the Facility Agreement and payment of the indebtedness could be accelerated. The acceleration of the Company's indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross-acceleration provisions. The Company anticipates that it will need an Equity Cure Contribution to maintain compliance with financial covenants under the Facility Agreement for the measurement periods ended June 30, 2019 and December 31, 2019, subject to the provisions of the Facility Agreement. The source of funds for these Equity Cure Contributions has not yet been arranged. As of March 31, 2019, the Company was in compliance with respect to the covenants of the Facility Agreement, except for one matter. The agent to the lenders of the Facility Agreement recently notified the Company that they believe it had not complied with a certain administrative provision within the Facility Agreement. The Company believes that it has remedied any noncompliance within the allowed cure period in order to avoid an event of default.

The Facility Agreement also requires the Company to maintain a debt service reserve account, which is pledged to secure all of the Company's obligations under the Facility Agreement. The use of the debt service reserve account funds is restricted to making principal and interest payments under the Facility Agreement. The balance in the debt service reserve account must equal the total amount of principal and interest payable by the Company on the next payment date. As of March 31, 2019, the balance in the debt service reserve account was \$60.6 million and is classified as restricted cash on the Company's condensed consolidated balance sheet.

Thermo Loan Agreement

In connection with the amendment and restatement of the Facility Agreement in July 2013, the Company amended and restated its loan agreement with Thermo (the "Loan Agreement"). All obligations of the Company to Thermo under the Loan Agreement are subordinated to the Company's obligations under the Facility Agreement. The Loan Agreement is convertible into shares of common stock at a conversion price of \$0.69 (as adjusted) per share of common stock. Based on the terms of the Settlement Agreement (as defined and discussed further in Note 8: Contingencies), the outstanding debt under the Thermo Loan Agreement will convert into shares of Globalstar common stock at the conversion price in place at the time of certain financing events described in the Settlement Agreement, if and when such events occur.

The Loan Agreement accrues interest at 12% per annum, which is capitalized and added to the outstanding principal in lieu of cash payments. The Company will make payments to Thermo only when permitted by the Facility Agreement. Principal and interest under the Loan Agreement become due and payable six months after the obligations under the Facility Agreement have been paid in full, or earlier if the Company has a change in control or if any acceleration of the maturity of the loans under the Facility Agreement occurs. As of March 31, 2019, \$79.8 million of interest had accrued since 2009 with respect to the Loan Agreement; the Loan Agreement is included in long-term debt on the Company's condensed consolidated balance sheets.

The Company evaluated the various embedded derivatives within the Loan Agreement (See Note 7: Fair Value Measurements for additional information about the embedded derivative in the Loan Agreement). The Company determined that the conversion option and the contingent put feature upon a fundamental change required bifurcation from the Loan Agreement. The conversion option and the contingent put feature were not deemed clearly and closely related to the Loan Agreement and were separately accounted for as a standalone derivative. The Company recorded this compound embedded derivative liability as a non-current liability on its condensed consolidated balance sheets with a corresponding debt discount, which is netted against the face value of the Loan Agreement.

The Company is accreting the debt discount associated with the compound embedded derivative liability to interest expense through the maturity of the Loan Agreement using an effective interest rate method. The fair value of the compound embedded derivative liability is marked-to-market at the end of each reporting period, with any changes in value reported in the condensed consolidated statements of operations. The Company determines the fair value of the compound embedded derivative using a Monte Carlo simulation model.

As previously disclosed, in connection with the Settlement Agreement discussed in Note 8: Contingencies, the Company formed a Strategic Review Committee that is required to remain in existence for as long as Thermo and its affiliates own and its affiliates beneficially own forty-five percent (45%) or more of Globalstar's outstanding common stock. To the extent permitted by applicable law, the Strategic Review Committee will have exclusive responsibility for the oversight, review and approval of, among other things and subject to certain exceptions, any acquisition by Thermo and its affiliates of additional newly-issued securities of the

Company and any transaction between the Company and Thermo and its affiliates with a value in excess of \$250,000. The approval of any of the foregoing transactions will require the vote of at least three members of the Strategic Review Committee.

8.00% Convertible Senior Notes Issued in 2013

The 2013 8.00% Notes are convertible into shares of common stock at a conversion price of \$0.69 (as adjusted) per share of common stock. The conversion price of the 2013 8.00% Notes is adjusted in the event of certain stock splits or extraordinary share distributions, or as a reset of the base conversion and exercise price pursuant to the terms of the Fourth Supplemental Indenture between the Company and U.S. Bank National Association, as Trustee, dated May 20, 2013 (the “Indenture”).

The 2013 8.00% Notes are senior unsecured debt obligations of the Company with no sinking fund. The 2013 8.00% Notes will mature on April 1, 2028, subject to various call and put features, and bear interest at a rate of 8.00% per annum. Subject to certain conditions set forth in the Indenture, the Company may redeem the 2013 8.00% Notes, with the prior approval of the majority lenders under the Facility Agreement, in whole or in part, at any time on or after April 1, 2018, at a price equal to the principal amount of the 2013 8.00% Notes to be redeemed plus all accrued and unpaid interest thereon. As of March 31, 2019, the 2013 8.00% Notes have not been redeemed by the Company. A holder of the 2013 8.00% Notes has the right, at the holder’s option, to require the Company to purchase some or all of the 2013 8.00% Notes held by it on April 1, 2023 at a price equal to the principal amount of the 2013 8.00% Notes to be purchased plus accrued and unpaid interest.

Interest on the 2013 8.00% Notes is payable semi-annually in arrears on April 1 and October 1 of each year. Interest is paid in cash at a rate of 5.75% per annum and in additional notes at a rate of 2.25% per annum. The Indenture for the 2013 8.00% Notes provides for customary events of default. As of March 31, 2019, the Company was in compliance with the terms of the 2013 8.00% Notes and the Indenture.

Subject to the procedures for conversion and other terms and conditions of the Indenture, a holder may convert its 2013 8.00% Notes at its option at any time prior to the close of business on the business day immediately preceding April 1, 2028, into shares of common stock (or, at the option of the Company, cash in lieu of all or a portion thereof, provided that, under the Facility Agreement, the Company may pay cash only with the consent of the majority lenders) over a 40-consecutive trading day settlement period. As of March 31, 2019, holders had converted a total of \$55.4 million principal amount of the 2013 8.00% Notes, resulting in the issuance of approximately 98.5 million shares of voting common stock.

The Company evaluated the various embedded derivatives within the Indenture for the 2013 8.00% Notes. The Company determined that the conversion option and the contingent put feature within the Indenture required bifurcation from the 2013 8.00% Notes. The Company recorded this compound embedded derivative liability as a liability on its condensed consolidated balance sheets with a corresponding debt discount which was netted against the face value of the 2013 8.00% Notes. See Note 6: Derivatives for further information.

6. DERIVATIVES

In connection with certain existing borrowing arrangements, the Company was required to record derivative instruments on its condensed consolidated balance sheets. None of these derivative instruments are designated as a hedge. The following table discloses the fair values of the derivative instruments on the Company’s condensed consolidated balance sheets (in thousands):

	March 31, 2019	December 31, 2018
Derivative liabilities:		
Compound embedded derivative with the 2013 8.00% Notes	\$ (542)	\$ (757)
Compound embedded derivative with the Loan Agreement with Thermo	(89,315)	(146,108)
Total derivative liabilities	<u>\$ (89,857)</u>	<u>\$ (146,865)</u>

The following table discloses the changes in value recorded as derivative gain (loss) in the Company's condensed consolidated statement of operations (in thousands):

	Three Months Ended	
	March 31, 2019	March 31, 2018
Compound embedded derivative with the 2013 8.00% Notes	\$ 215	\$ 1,321
Compound embedded derivative with the Loan Agreement with Thermo	56,793	107,623
Total derivative gain	\$ 57,008	\$ 108,944

Intangible and Other Assets

Interest Rate Cap

In June 2009, in connection with entering into the Facility Agreement, under which interest accrues at a variable rate, the Company entered into five ten-year interest rate cap agreements. The interest rate cap agreements reflect a variable notional amount at interest rates that provide coverage to the Company for exposure resulting from escalating interest rates over the term of the Facility Agreement. The interest rate cap provides limits on the six-month Libor rate ("Base Rate") used to calculate the coupon interest on outstanding amounts on the Facility Agreement and is capped at 5.50% should the Base Rate not exceed 6.5%. Should the Base Rate exceed 6.5%, the Company's Base Rate will be 1% less than the then six-month Libor rate. The Company paid an approximately \$12.4 million upfront fee for the interest rate cap agreements. The interest rate cap did not qualify for hedge accounting treatment, and changes in the fair value of the agreements are included in the condensed consolidated statements of operations. The value of the interest rate cap was approximately zero as of March 31, 2019 and December 31, 2018, respectively.

Derivative Liabilities

The Company has identified various embedded derivatives resulting from certain features in the Company's debt instruments, including the conversion option and the contingent put feature within both the 2013 8.00% Notes and the Loan Agreement with Thermo. The fair value of each embedded derivative liability is marked-to-market at the end of each reporting period, or more frequently as deemed necessary, with any changes in value reported in its condensed consolidated statements of operations and its condensed consolidated statements of cash flows as an operating activity. The Company determined the fair value of its compound embedded derivative liabilities using a Monte Carlo simulation model. See Note 7: Fair Value Measurements for further discussion. Consistent with the classification of the 2013 8.00% Notes on the Company's condensed consolidated balance sheet, the Company has classified the associated derivative liability as current on its condensed consolidated balance sheet at March 31, 2019.

7. FAIR VALUE MEASUREMENTS

The Company follows the authoritative guidance for fair value measurements relating to financial and non-financial assets and liabilities, including presentation of required disclosures herein. This guidance establishes a fair value framework requiring the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to price the assets and liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. The three levels are defined as follows:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Quoted prices in markets that are not active or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

Recurring Fair Value Measurements

The following tables provide a summary of the liabilities measured at fair value on a recurring basis (in thousands):

	March 31, 2019			
	(Level 1)	(Level 2)	(Level 3)	Total Balance
Compound embedded derivative with the 2013 8.00% Notes	\$ —	\$ —	\$ (542)	\$ (542)
Compound embedded derivative with the Loan Agreement with Thermo	—	—	(89,315)	(89,315)
Total liabilities measured at fair value	\$ —	\$ —	\$ (89,857)	\$ (89,857)

	December 31, 2018			
	(Level 1)	(Level 2)	(Level 3)	Total Balance
Compound embedded derivative with the 2013 8.00% Notes	\$ —	\$ —	\$ (757)	\$ (757)
Compound embedded derivative with the Loan Agreement with Thermo	—	—	(146,108)	(146,108)
Total liabilities measured at fair value	\$ —	\$ —	\$ (146,865)	\$ (146,865)

Derivative Liabilities

The Company has two derivative liabilities classified as Level 3. The Company marks-to-market these liabilities at each reporting date, or more frequently as deemed necessary, with the changes in fair value recognized in the Company's condensed consolidated statements of operations. See Note 6: Derivatives for further discussion.

The significant quantitative Level 3 inputs utilized in the valuation models are shown in the tables below:

	March 31, 2019				
	Stock Price Volatility	Risk-Free Interest Rate	Note Conversion Price	Discount Rate	Market Price of Common Stock
Compound embedded derivative with the 2013 8.00% Notes	40% - 110%	2.2%	\$ 0.69	27%	\$ 0.43
Compound embedded derivative with the Loan Agreement with Thermo	40% - 110%	2.2%	\$ 0.69	27%	\$ 0.43

	December 31, 2018				
	Stock Price Volatility	Risk-Free Interest Rate	Note Conversion Price	Discount Rate	Market Price of Common Stock
Compound embedded derivative with the 2013 8.00% Notes	40% - 120%	2.5%	\$ 0.69	28%	\$ 0.64
Compound embedded derivative with the Loan Agreement with Thermo	40% - 120%	2.5%	\$ 0.69	28%	\$ 0.64

Fluctuation in the Company's stock price is one of the primary drivers for the changes in the derivative valuations during each reporting period. The Company's stock price decreased 33% from December 31, 2018 to March 31, 2019. As the stock price decreases, the value to the holder of the instrument generally decreases, thereby decreasing the liability on the Company's condensed consolidated balance sheets. Stock price volatility is another significant unobservable input used in the fair value measurement of each of the Company's derivative instruments. The simulated fair value of these liabilities is sensitive to changes in the expected volatility of the Company's stock price. Decreases in expected volatility would generally result in a lower fair value measurement.

Probability of a change of control is another significant unobservable input used in the fair value measurement of the Company's derivative instruments. Subject to certain restrictions in each indenture, the Company's debt instruments contain certain provisions whereby holders may require the Company to purchase all or any portion of the convertible debt instrument upon a change of control. A change of control will occur upon certain changes in the ownership of the Company or certain events relating to the trading of the Company's common stock. The simulated fair value of the derivative liabilities above is sensitive to changes in the assumed probabilities of a change of control. Increases in the assumed probability of a change of control in the short-term would generally result in a lower fair value measurement, while increases in the assumed probability of a change in control in the long-term would generally result in a higher fair value measurement.

In addition to the inputs described above, the valuation model used to calculate the fair value measurement of the compound embedded derivatives within the Company's 2013 8.00% Notes and Loan Agreement with Thermo included the following inputs and features: payment-in-kind interest payments, make-whole premiums, a 40-day stock issuance settlement period upon conversion, estimated maturity date, and the principal balance of each loan at the balance sheet date. There are also certain put and call features within the 2013 8.00% Notes that impact the valuation model.

The following table presents a rollforward for all liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) (in thousands):

	Three Months Ended March 31,	
	2019	2018
Balance at beginning of period	\$ (146,865)	\$ (227,985)
Unrealized gain, included in derivative gain	57,008	108,944
Balance at end of period	\$ (89,857)	\$ (119,041)

Fair Value of Debt Instruments

The Company believes it is not practicable to determine the fair value of the Facility Agreement without incurring significant additional costs. Unlike typical long-term debt, interest rates and other terms for the Facility Agreement are not readily available and generally involve a variety of factors, including due diligence by the debt holders. The following table sets forth the carrying values and estimated fair values of the Company's other debt instruments, which are classified as Level 3 financial instruments (in thousands):

	March 31, 2019		December 31, 2018	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Loan Agreement with Thermo	\$ 101,634	\$ 74,182	\$ 97,037	\$ 67,452
2013 8.00% Notes	1,379	778	1,379	734

8. CONTINGENCIES

Securities Claim

As previously disclosed, on September 25, 2018, a shareholder action was filed against Globalstar, Inc. (the "Company" or "Globalstar"), members of the Board of Directors, Thermo Companies, Inc., and certain members of Globalstar management in the Court of Chancery of the State of Delaware (the "Court"), captioned *Mudrick Capital Management, LP, et al. v. Monroe, et al.*, C.A. No. 2018-0699-TMR (the "Action"). As previously disclosed, on December 14, 2018, all parties to the Action, including plaintiffs Mudrick Capital Management, L.P. ("Mudrick Capital") and Warlander Asset Management ("Warlander", and, together with Mudrick Capital, the "Plaintiffs"), entered into a stipulation and agreement of settlement, compromise and release of stockholder derivative action (the "Settlement Agreement") to settle all claims asserted against all defendants in the Action.

The Settlement Agreement is subject to approval by the Court of Chancery of the State of Delaware which held a hearing on April 1, 2019. The Company expects the Court to approve the Settlement Agreement and is currently awaiting its decision.

In connection with the Action described above, the Plaintiffs' claims for monetary relief from the Company are now limited to attorneys' fees and expenses incurred in connection with and related to pursuing the Action, as well as in connection with and

related to a shareholder demand to inspect certain of the Company's books and records and a lawsuit seeking to enforce that demand. The Company evaluated the facts and circumstances under applicable accounting guidance and determined that a loss with respect to such Plaintiffs' attorneys' fees and costs is probable and reasonably estimable. In accordance with ASC 450, as of March 31, 2019, the Company estimated a range of loss and recorded a reserve based on the low end of the range, as there were no facts and circumstances to support a different point in the range. The Company accrued the total estimated loss of \$3.0 million, which is recorded as a current liability on the Company's condensed consolidated balance sheet and recorded in marketing, general and administrative expenses on the Company's condensed consolidated statement of operations.

These estimated losses, as well as other costs incurred by the Company directly associated with the Action, exceeded the Company's retention limit of \$1.5 million for a "securities claim" under its directors and officers insurance policy. According to ASC 450, a recovery related to a contingent loss (e.g., insurance recovery) is a contingent gain. Recovery of a recorded contingent loss shall be recognized only when realization of the recovery is deemed probable and reasonably estimable. The Company believes it is probable that any losses in excess of the Company's retention limit will be covered under the terms of its insurance policy. Accordingly, the Company has recorded a receivable of \$3.1 million with an offsetting reduction to marketing, general and administrative expenses during the quarter ended March 31, 2019.

Business Economic Loss Claim

In May 2018, the Company concluded the settlement of a business economic loss claim in which it was an absent member in a tort class action lawsuit. The Company is due proceeds of \$7.4 million, net of legal fees, related to this settlement. The Company received the first installment of \$3.7 million in January 2019. The second and final installment of \$3.7 million is expected to be received in January 2020 and is recorded in prepaid expenses and other current assets on the Company's condensed consolidated balance sheet at March 31, 2019. During the second quarter of 2018, the Company recorded the present value of the proceeds of \$6.8 million and a discount of \$0.6 million. The present value of the net proceeds of \$6.8 million was recorded in other income on the Company's condensed consolidated statement of operations. The discount of \$0.6 million was recorded on the Company's condensed consolidated balance sheet and is being accreted to interest income over the term of the receivable using the effective interest method.

Other Litigation

Due to the nature of the Company's business, the Company is involved, from time to time, in various litigation matters or subject to disputes or routine claims regarding its business activities. Legal costs related to these matters are expensed as incurred.

In management's opinion, there is no pending litigation, dispute or claim, other than those described in this report, which could be expected to have a material adverse effect on the Company's financial condition, results of operations or liquidity.

9. RELATED PARTY TRANSACTIONS

Payables to Thermo and other affiliates related to normal purchase transactions were \$0.2 million and \$0.7 million as of March 31, 2019 and December 31, 2018, respectively. The fluctuation in this payable is related to the timing of payment of expenses incurred by Thermo on behalf of the Company.

Transactions with Thermo

Certain general and administrative expenses are incurred by Thermo on behalf of the Company. These expenses include non-cash expenses that the Company accounts for as a contribution to capital related to services provided by certain executive officers of Thermo and expenses incurred by Thermo on behalf of the Company which are charged to the Company. The expenses charged are based on actual amounts (with no mark-up) incurred by Thermo or upon allocated employee time. The expenses charged to the Company were \$0.4 million and \$0.2 million during the three month periods ended March 31, 2019 and 2018, respectively.

Additionally, in February 2019, the Company entered into a lease agreement with Thermo Covington, LLC for the Company's new headquarters office. Annual lease payments for the new location will be \$1.4 million per year, increasing at a rate of 2.5% per year, for a lease term of ten years. During the three months ended March 31, 2019, the Company incurred lease expenses of \$0.3 million due to Thermo under this lease agreement.

As of March 31, 2019, the principal amount outstanding under the Loan Agreement with Thermo was \$123.3 million, and the fair value of the compound embedded derivative liability associated with the Loan Agreement was \$89.3 million. During the three months ended March 31, 2019 and 2018, interest accrued on the Loan Agreement was approximately \$3.6 million and \$3.2 million, respectively.

On April 24, 2018, Globalstar entered into the Merger Agreement with GBS Acquisitions, Inc., a Delaware corporation and wholly owned subsidiary of Globalstar (“Merger Sub”), Thermo Acquisitions, Inc., a Delaware corporation (“Thermo Acquisitions”), the stockholders of Thermo Acquisitions (collectively, the “Thermo Stockholders,” and each, individually, a “Thermo Stockholder”), and Thermo Development, Inc., in its capacity as the representative of the Thermo Stockholders as set forth therein (the “Stockholders’ Representative”). Thermo Acquisitions is controlled by James Monroe III, Executive Chairman of the Board of Directors of Globalstar and former Chief Executive Officer of Globalstar. Pursuant to the terms of the Merger Agreement, Merger Sub would merge with and into Thermo Acquisitions with Thermo Acquisitions continuing as the surviving corporation and a wholly owned subsidiary of Globalstar (the “Merger”). The transaction was unanimously recommended by the Special Committee of the Board of Directors of Globalstar, consisting entirely of disinterested independent directors, and unanimously approved by the full Board of Directors. On July 31, 2018, Globalstar, following the unanimous recommendation of its Special Committee of independent directors, and the Stockholders’ Representative, terminated the Merger Agreement by mutual written agreement by entering into a Termination of Agreement and Plan of Merger, between Globalstar and the Stockholders’ Representative. In addition, on July 31, 2018, the Voting Agreement between Globalstar and certain of its stockholders terminated in accordance with its terms as a result of the termination of the Merger Agreement. No termination fees are payable in connection with the termination of the Merger Agreement.

As previously disclosed, in connection with the Settlement Agreement discussed in Note 8: Contingencies, the Company formed a Strategic Review Committee that is required to remain in existence for as long as Thermo and its affiliates own and its affiliates beneficially own forty-five percent (45%) or more of Globalstar’s outstanding common stock. To the extent permitted by applicable law, the Strategic Review Committee will have exclusive responsibility for the oversight, review and approval of, among other things and subject to certain exceptions, any acquisition by Thermo and its affiliates of additional newly-issued securities of the Company and any transaction between the Company and Thermo and its affiliates with a value in excess of \$250,000. The approval of any of the foregoing transactions will require the vote of at least three members of the Strategic Review Committee.

See Note 5: Long-Term Debt and Other Financing Arrangements for further discussion of the Company's debt and financing transactions with Thermo.

10. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is computed by dividing income (loss) available to common stockholders by the weighted average number of shares of common stock outstanding during the period. Common stock equivalents are included in the calculation of diluted earnings per share only when the effect of their inclusion would be dilutive. Potentially dilutive securities include primarily outstanding stock-based awards, convertible notes and shares issuable pursuant to the Company's Employee Stock Purchase Plan. The share amounts for dilutive securities that are reflected in the table below are shown regardless of being in or out of the money.

The following table sets forth the calculation of basic and diluted earnings (loss) per share and reconciles basic weighted average shares to diluted weighted average shares of common stock outstanding for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2019	2018
Net income	\$ 25,771	\$ 87,930
Effect of dilutive securities:		
2013 8.00% Notes	27	15
Loan Agreement with Thermo	4,497	2,396
Income to common stockholders plus assumed conversions	\$ 30,295	\$ 90,341
Weighted average common shares outstanding:		
Basic shares outstanding	1,448,318	1,262,336
Incremental shares from assumed exercises, conversions and other issuance of:		
Stock options, restricted stock, restricted stock units and ESPP	3,204	5,639
2013 8.00% Notes	1,998	2,065
Loan Agreement with Thermo	178,737	167,288
Diluted shares outstanding	1,632,257	1,437,328
Net income per share:		
Basic	\$ 0.02	\$ 0.07
Diluted	0.02	0.06

11. CONDENSED CONSOLIDATING FINANCIAL INFORMATION

In connection with the Company's issuance of the 2013 8.00% Notes, certain of the Company's 100% owned domestic subsidiaries (the "Guarantor Subsidiaries"), fully, unconditionally, jointly, and severally guaranteed the payment obligations under the 2013 8.00% Notes. The following financial information sets forth, on a consolidating basis, the balance sheets, statements of operations and statements of cash flows for Globalstar, Inc. (the "Parent Company"), for the Guarantor Subsidiaries and for the Parent Company's other subsidiaries (the "Non-Guarantor Subsidiaries").

The condensed consolidating financial information has been prepared pursuant to the rules and regulations for condensed financial information and does not include disclosures included in annual financial statements. The principal eliminating entries eliminate investments in subsidiaries, intercompany balances and intercompany revenues and expenses.

Globalstar, Inc.
Condensed Consolidating Statement of Operations
Three Months Ended March 31, 2019

(Unaudited)

	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
	(In thousands)				
Revenue:					
Service revenue	\$ 21,937	\$ 9,582	\$ 15,129	\$ (20,529)	\$ 26,119
Subscriber equipment sales	302	3,486	1,501	(1,330)	3,959
Total revenue	22,239	13,068	16,630	(21,859)	30,078
Operating expenses:					
Cost of services (exclusive of depreciation, amortization, and accretion shown separately below)	7,015	1,449	2,891	(1,502)	9,853
Cost of subscriber equipment sales	223	3,066	1,188	(1,328)	3,149
Marketing, general and administrative	7,124	1,301	22,210	(19,029)	11,606
Depreciation, amortization and accretion	23,195	17	589	—	23,801
Total operating expenses	37,557	5,833	26,878	(21,859)	48,409
Income (loss) from operations	(15,318)	7,235	(10,248)	—	(18,331)
Other income (expense):					
Interest income and expense, net of amounts capitalized	(12,864)	(4)	(2)	—	(12,870)
Derivative gain	57,008	—	—	—	57,008
Equity in subsidiary earnings (loss)	(2,933)	(4,634)	—	7,567	—
Other	(122)	187	(73)	(1)	(9)
Total other income	41,089	(4,451)	(75)	7,566	44,129
Income (loss) before income taxes	25,771	2,784	(10,323)	7,566	25,798
Income tax expense	—	7	20	—	27
Net income (loss)	\$ 25,771	\$ 2,777	\$ (10,343)	\$ 7,566	\$ 25,771
Comprehensive income (loss)	\$ 25,771	\$ 2,777	\$ (10,607)	\$ 7,560	\$ 25,501

Globalstar, Inc.
Condensed Consolidating Statement of Operations
Three Months Ended March 31, 2018
(Unaudited)

	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
(In thousands)					
Revenue:					
Service revenue	\$ 20,534	\$ 9,074	\$ 15,608	\$ (19,206)	\$ 26,010
Subscriber equipment sales	47	2,049	1,196	(553)	2,739
Total revenue	20,581	11,123	16,804	(19,759)	28,749
Operating expenses:					
Cost of services (exclusive of depreciation, amortization, and accretion shown separately below)	6,257	1,390	2,868	(1,486)	9,029
Cost of subscriber equipment sales	41	1,810	875	(554)	2,172
Marketing, general and administrative	7,085	1,064	20,863	(17,737)	11,275
Depreciation, amortization and accretion	19,044	96	91	—	19,231
Total operating expenses	32,427	4,360	24,697	(19,777)	41,707
Income (loss) from operations	(11,846)	6,763	(7,893)	18	(12,958)
Other income (expense):					
Loss on extinguishment of debt	—	—	—	—	—
Interest income and expense, net of amounts capitalized	(7,386)	(2)	14	21	(7,353)
Derivative gain	108,944	—	—	—	108,944
Equity in subsidiary earnings (loss)	(1,320)	(3,387)	—	4,707	—
Other	(462)	(176)	(8)	(16)	(662)
Total other income	99,776	(3,565)	6	4,712	100,929
Income (loss) before income taxes	87,930	3,198	(7,887)	4,730	87,971
Income tax expense	—	6	35	—	41
Net income (loss)	\$ 87,930	\$ 3,192	\$ (7,922)	\$ 4,730	\$ 87,930
Comprehensive income (loss)	\$ 87,930	\$ 3,192	\$ (8,246)	\$ 4,724	\$ 87,600

Globalstar, Inc.
Condensed Consolidating Balance Sheet
As of March 31, 2019
(Unaudited)

	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
(In thousands)					
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 9,860	\$ 281	\$ 3,632	\$ —	\$ 13,773
Restricted cash	60,574	—	—	—	60,574
Accounts receivable, net of allowance	7,931	7,429	4,677	—	20,037
Intercompany receivables	1,051,185	823,295	68,438	(1,942,918)	—
Inventory	7,290	5,460	1,665	—	14,415
Prepaid expenses and other current assets	10,603	9,111	4,692	—	24,406
Total current assets	1,147,443	845,576	83,104	(1,942,918)	133,205
Property and equipment, net	833,129	876	30,191	4	864,200
Operating lease right of use assets, net	12,436	236	1,915	—	14,587
Intercompany notes receivable	5,674	—	—	(5,674)	—
Investment in subsidiaries	(257,501)	45,744	50,696	161,061	—
Intangible and other assets, net	29,104	277	3,547	(12)	32,916
Total assets	\$ 1,770,285	\$ 892,709	\$ 169,453	\$ (1,787,539)	\$ 1,044,908
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Current portion of long-term debt	\$ 96,249	\$ —	\$ —	\$ —	\$ 96,249
Accounts payable	2,253	2,851	1,102	—	6,206
Accrued expenses	19,453	7,315	7,825	—	34,593
Intercompany payables	778,914	827,358	336,587	(1,942,859)	—
Payables to affiliates	218	—	—	—	218
Derivative liabilities	542	—	—	—	542
Deferred revenue	1,650	22,679	7,156	—	31,485
Total current liabilities	899,279	860,203	352,670	(1,942,859)	169,293
Long-term debt, less current portion	374,039	—	—	—	374,039
Operating lease liabilities	12,035	201	1,335	—	13,571
Employee benefit obligations	4,541	—	—	—	4,541
Intercompany notes payable	—	—	5,674	(5,674)	—
Derivative liabilities	89,315	—	—	—	89,315
Deferred revenue	5,252	243	18	—	5,513
Other non-current liabilities	449	322	2,490	—	3,261
Total non-current liabilities	485,631	766	9,517	(5,674)	490,240
Stockholders' equity (deficit)	385,375	31,740	(192,734)	160,994	385,375
Total liabilities and stockholders' equity	\$ 1,770,285	\$ 892,709	\$ 169,453	\$ (1,787,539)	\$ 1,044,908

Globalstar, Inc.
Condensed Consolidating Balance Sheet
As of December 31, 2018
(Unaudited)

	Parent Company	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
	(In thousands)				
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 11,312	\$ 2,126	\$ 1,774	\$ —	\$ 15,212
Restricted cash	60,278	—	—	—	60,278
Accounts receivable, net of allowance	7,138	7,826	4,363	—	19,327
Intercompany receivables	1,047,320	824,920	105,819	(1,978,059)	—
Inventory	6,747	6,149	1,378	—	14,274
Prepaid expenses and other current assets	7,765	2,987	2,658	—	13,410
Total current assets	1,140,560	844,008	115,992	(1,978,059)	122,501
Property and equipment, net	850,790	1,242	30,658	5	882,695
Intercompany notes receivable	5,600	—	6,436	(12,036)	—
Investment in subsidiaries	(255,187)	42,481	50,220	162,486	—
Intangible and other assets, net	36,275	324	3,698	(11)	40,286
Total assets	\$ 1,778,038	\$ 888,055	\$ 207,004	\$ (1,827,615)	\$ 1,045,482
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Current portion of long-term debt	\$ 96,249	\$ —	\$ —	\$ —	\$ 96,249
Accounts payable	2,420	3,378	1,197	—	6,995
Accrued expenses	8,904	6,747	7,434	—	23,085
Intercompany payables	778,340	832,284	367,396	(1,978,020)	—
Payables to affiliates	656	—	—	—	656
Derivative liabilities	757	—	—	—	757
Deferred revenue	1,699	23,943	6,296	—	31,938
Total current liabilities	889,025	866,352	382,323	(1,978,020)	159,680
Long-term debt, less current portion	367,202	—	—	—	367,202
Employee benefit obligations	4,489	—	—	—	4,489
Intercompany notes payable	6,436	—	5,600	(12,036)	—
Derivative liabilities	146,108	—	—	—	146,108
Deferred revenue	5,339	335	18	—	5,692
Other non-current liabilities	494	323	2,549	—	3,366
Total non-current liabilities	530,068	658	8,167	(12,036)	526,857
Stockholders' equity (deficit)	358,945	21,045	(183,486)	162,441	358,945
Total liabilities and stockholders' equity	\$ 1,778,038	\$ 888,055	\$ 207,004	\$ (1,827,615)	\$ 1,045,482

Globalstar, Inc.
Condensed Consolidating Statement of Cash Flows
Three Months Ended March 31, 2019
(Unaudited)

	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
	(In thousands)				
Cash flows provided by (used in) operating activities	\$ 1,145	\$ (1,747)	\$ 1,927	\$ —	\$ 1,325
Cash flows used in investing activities:					
Second-generation network costs (including interest)	(779)	—	(14)	—	(793)
Property and equipment additions	(901)	(98)	(14)	—	(1,013)
Purchase of intangible assets	(428)	—	(27)	—	(455)
Net cash used in investing activities	(2,108)	(98)	(55)	—	(2,261)
Cash flows provided by (used in) financing activities:					
Payments for debt and equity issuance costs	(195)	—	—	—	(195)
Proceeds from issuance of common stock and exercise of options and warrants	2	—	—	—	2
Net cash used in financing activities	(193)	—	—	—	(193)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	—	(14)	—	(14)
Net increase (decrease) in cash, cash equivalents and restricted cash	(1,156)	(1,845)	1,858	—	(1,143)
Cash, cash equivalents and restricted cash, beginning of period	71,590	2,126	1,774	—	75,490
Cash, cash equivalents and restricted cash, end of period	\$ 70,434	\$ 281	\$ 3,632	\$ —	\$ 74,347

Globalstar, Inc.
Condensed Consolidating Statement of Cash Flows
Three Months Ended March 31, 2018
(Unaudited)

	Parent Company	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
	(In thousands)				
Cash flows provided by operating activities	\$ 5,920	\$ 3,805	\$ 107	\$ —	\$ 9,832
Cash flows used in investing activities:					
Second-generation network costs (including interest)	(318)	—	(23)	—	(341)
Property and equipment additions	(1,216)	(98)	(83)	—	(1,397)
Purchase of intangible assets	(633)	—	(15)	—	(648)
Net cash used in investing activities	(2,167)	(98)	(121)	—	(2,386)
Cash flows provided by financing activities:	—	—	—	—	—
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	—	(22)	—	(22)
Net increase (decrease) in cash, cash equivalents and restricted cash	3,753	3,707	(36)	—	7,424
Cash, cash equivalents and restricted cash, beginning of period	96,499	4,942	3,838	—	105,279
Cash, cash equivalents and restricted cash, end of period	\$ 100,252	\$ 8,649	\$ 3,802	\$ —	\$ 112,703

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations Forward-Looking Statements.

Certain statements contained in or incorporated by reference into this Quarterly Report on Form 10-Q (the "Report"), other than purely historical information, including, but not limited to, estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions, although not all forward-looking statements contain these identifying words. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. Forward-looking statements, such as the statements regarding our ability to develop and expand our business (including our ability to monetize our spectrum rights), our anticipated capital spending, our ability to manage costs, our ability to exploit and respond to technological innovation, the effects of laws and regulations (including tax laws and regulations) and legal and regulatory changes (including regulation related to the use of our spectrum), the opportunities for strategic business combinations and the effects of consolidation in our industry on us and our competitors, our anticipated future revenues, our anticipated financial resources, our expectations about the future operational performance of our satellites (including their projected operational lives), the expected strength of and growth prospects for our existing customers and the markets that we serve, commercial acceptance of new products, problems relating to the ground-based facilities operated by us or by independent gateway operators, worldwide economic, geopolitical and business conditions and risks associated with doing business on a global basis and other statements contained in this Report regarding matters that are not historical facts, involve predictions. Risks and uncertainties that could cause or contribute to such differences include, without limitation, those in Item 1A. Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, as filed with the Securities and Exchange Commission (the "SEC") on February 28, 2019 (the "2018 Annual Report"). We do not intend, and undertake no obligation, to update any of our forward-looking statements after the date of this Report to reflect actual results or future events or circumstances.

New risk factors emerge from time to time, and it is not possible for us to predict all risk factors, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We undertake no obligation to update publicly or revise any forward-looking statements. You should not rely upon forward-looking statements as predictions of future events or performance. We cannot assure you that the events and circumstances reflected in the forward-looking statements will be achieved or occur. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

This "Management's Discussion and Analysis of Financial Condition" should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition" and information included in our 2018 Annual Report.

Overview

Mobile Satellite Services Business

Globalstar, Inc. ("we", "us" or the "Company") provides Mobile Satellite Services ("MSS") including voice and data communications services globally via satellite. We offer these services over our network of in-orbit satellites and our active ground stations ("gateways"), which we refer to collectively as the Globalstar System. In addition to supporting one-way IoT data transmissions in a variety of applications, we are also able to provide reliable connectivity in areas not served or underserved by terrestrial wireless and wireline networks and in circumstances where terrestrial networks are not operational due to natural or man-made disasters. By providing wireless communications services across the globe, we are able to meet our customers' increasing desire for connectivity.

We currently provide the following communications services, which are available only with equipment designed to work on our network:

- two-way voice communication and data transmissions using mobile or fixed devices, including our GSP-1700 phone, our Globalstar 9600™ hotspot, two generations of our Sat-Fi™, and other fixed and data-only devices ("Duplex");
- one-way or two-way communication and data transmissions using mobile devices, including our SPOT family of products, such as SPOT X™, SPOT Gen3® and SPOT Trace®, that transmit messages and the location of the device ("SPOT"); and
- one-way data transmissions using a mobile or fixed device that transmits its location and other information to a central monitoring station, including our commercial IoT products, such as our battery- and solar-powered SmartOne, STX-3 and STINGR ("Commercial IoT").

Our constellation of Low Earth Orbit ("LEO") satellites includes second-generation satellites, which were launched and placed into service during the years 2010 through 2013 after a \$1.1 billion investment, and certain first-generation satellites. We designed our second-generation satellites to last twice as long in space, have 40% greater capacity and be built at a significantly lower cost compared to our first-generation satellites. We achieved this longer life by increasing the solar array and battery capacity, using a larger fuel tank, adding redundancy for key satellite equipment, and improving radiation specifications and additional lot level testing for all susceptible electronic components, in order to account for the accumulated dosage of radiation encountered during a 15-year mission at the operational altitude of the satellites. The second-generation satellites use passive S-band antennas on the body of the spacecraft providing additional shielding for the active amplifiers which are located inside the spacecraft, unlike the first-generation amplifiers that were located on the outside as part of the active antenna array. Each satellite has a high degree of on-board subsystem redundancy, an on-board fault detection system and isolation and recovery for safe and quick risk mitigation.

Due to the specific design of the Globalstar System (and based on customer input), we believe that our voice quality is the best among our peer group. We define a successful level of service for our customers by their ability to make uninterrupted calls of average duration for a system-wide average number of minutes per month. Our goal is to provide service levels and call or message success rates equal to or better than our MSS competitors so our products and services are attractive to potential customers. We define voice quality as the ability to easily hear, recognize and understand callers with imperceptible delay in the transmission. By this measure, we believe that our system outperforms geostationary ("GEO") satellites used by some of our competitors. Due to the difference in signal travel distance, GEO satellite signals must travel approximately 42,000 additional nautical miles, which introduces considerable delay and signal degradation to GEO calls. For our competitors using cross-linked satellite architectures, which require multiple inter-satellite connections to complete a call, signal degradation and delay can result in compromised call quality as compared to that experienced over the Globalstar System.

We designed our second-generation ground network, when combined with our next-generation products, to provide our customers with enhanced services featuring speeds up to 72 kbps as well as increased capacity. The second-generation ground network is an Internet protocol multimedia subsystem ("IMS") based solution providing such industry standard services as voice, Internet, email and short message services ("SMS").

We compete aggressively on price. We offer a range of price-competitive products to the industrial, governmental and consumer markets. We expect to retain our position as a cost-effective, high quality leader in the MSS industry.

As technological advancements are made, we continue to explore opportunities to develop new products and provide new services over our network to meet the needs of our existing and prospective customers. We are currently pursuing initiatives that we expect to expand our satellite communications business by effectively leveraging our network capabilities and distribution relationships. Among our current initiatives are the following: the development of a two-way reference design and multi-chip module to expand our commercial IoT offerings while reducing the form factor and cost of our existing devices and improving their performance; an emergency messaging and tracking device for the automotive market; derivatives of our Sat-Fi2™ device, one specifically designed for the maritime industry and another for fixed installation outside of cellular range; and a miniaturized satellite-based wearable tracking device.

As of March 31, 2019, we had approximately 766,000 subscribers worldwide, representing principally the following markets: recreation and personal; government; public safety and disaster relief; oil and gas; maritime and fishing; natural resources, mining and forestry; construction; utilities; and transportation. Our products and services are sold direct as well as through a robust network of independent agents, dealers and resellers, and independent gateway operators ("IGOs"). We also have distribution relationships with a number of "Big Box" and other distribution channels.

Licensed Spectrum Overview

We benefit from a world-wide allocation of radio frequency spectrum in the international radio frequency tables administered by the International Telecommunications Union ("ITU"). Access to this globally harmonized spectrum enables us to design satellites, networks and terrestrial infrastructure enhancements more cost effectively because the products and services can be deployed and sold worldwide. In addition, this broad spectrum assignment enhances our ability to capitalize on existing and emerging wireless and broadband applications.

In the United States, the Federal Communications Commission ("FCC") has authorized us to operate our first-generation satellites in 25.225 MHz of radio spectrum comprising two blocks of non-contiguous radio frequencies in the 1.6/2.4 GHz band commonly referred to as the "Big LEO" Spectrum Band. We licensed and registered our second-generation satellites in France. We also obtained all authorizations necessary from the FCC to operate our domestic gateways with our second-generation satellites.

In December 2016, the FCC unanimously adopted a Report and Order permitting us to seek modification of our existing MSS licenses to provide terrestrial broadband services over 11.5 MHz of our licensed Mobile Satellite Services spectrum at 2483.5 to 2495 MHz, throughout the United States of America and its Territories, covering approximately 328 million people. In August 2017, the FCC modified Globalstar's MSS licenses, granting us authority to provide terrestrial broadband services over a portion of our satellite spectrum. Specifically, the FCC modified Globalstar's space station authorization and our blanket mobile earth station license to permit a network using 11.5 MHz of our authorized Big LEO mobile-satellite service spectrum. We will need to comply with certain conditions in order to provide terrestrial broadband service, including obtaining FCC certifications for our equipment that will utilize this spectrum authority.

We believe our MSS spectrum position provides potential for harmonized terrestrial authority across many international regulatory domains and have been seeking approvals in various international jurisdictions. To date, we have received terrestrial authorizations in certain countries. We expect this global effort to continue for the foreseeable future while we seek additional terrestrial approvals to internationally harmonize our S-band spectrum across the entire 16.5 MHz authority for terrestrial mobile broadband services.

We expect our terrestrial authority will allow future partners to develop high-density dedicated networks using the TD-LTE protocol for private LTE networks as well as for the densification of cellular networks. We believe that our offering has competitive advantages over other conventional commercial spectrum allocations. Such other allocations must meet minimum population coverage requirements, which effectively prohibit the exclusive use of most carrier spectrum for dedicated small cell deployments. In addition, low frequency carrier spectrum is not physically well suited to high-density small cell topologies, and mmWave spectrum is subject to range and attenuation limitations. We believe that our licensed 2.4 GHz band holds physical, regulatory, and ecosystem qualities that distinguish it from other current and anticipated allocations, and that it is well positioned to balance favorable range, capacity and attenuation characteristics.

In December 2018, we were successful in obtaining approval to create a new defined band class, Band 53, from the Third Generation Partnership Project (3GPP) for our 2.4 GHz terrestrial spectrum. This new band class provides a pathway for our terrestrial spectrum to be integrated into handset and infrastructure ecosystems. Additional follow-on 3GPP specifications and approvals are expected in the future.

Performance Indicators

Our management reviews and analyzes several key performance indicators in order to manage our business and assess the quality and potential variability of our earnings and cash flows. These key performance indicators include:

- total revenue, which is an indicator of our overall business growth;
- subscriber growth and churn rate, which are both indicators of the satisfaction of our customers;
- average monthly revenue per user, or ARPU, which is an indicator of our pricing and ability to obtain effectively long-term, high-value customers. We calculate ARPU separately for each type of our Duplex, Commercial IoT, SPOT and IGO revenue;
- operating income and adjusted EBITDA, both of which are indicators of our financial performance; and
- capital expenditures, which are an indicator of future revenue growth potential and cash requirements.

Comparison of the Results of Operations for the three months ended March 31, 2019 and 2018

Revenue

Total revenue increased by \$1.3 million, or approximately 5%, to \$30.1 million for the three months ended March 31, 2019 from \$28.8 million for the same period in 2018. This increase was driven primarily by a \$1.2 million increase in revenue from subscriber equipment sales resulting primarily from higher volume of our commercial IoT products.

The following table sets forth amounts and percentages of our revenue by type of service (dollars in thousands).

	Three Months Ended March 31, 2019		Three Months Ended March 31, 2018	
	Revenue	% of Total Revenue	Revenue	% of Total Revenue
Service revenue:				
Duplex	\$ 8,645	29%	\$ 8,783	31%
SPOT	13,095	44	12,962	45
Commercial IoT	3,698	12	3,089	11
IGO	166	1	209	1
Other	515	1	967	3
Total	\$ 26,119	87%	\$ 26,010	91%

The following table sets forth amounts and percentages of our revenue generated from equipment sales (dollars in thousands).

	Three Months Ended March 31, 2019		Three Months Ended March 31, 2018	
	Revenue	% of Total Revenue	Revenue	% of Total Revenue
Subscriber equipment sales:				
Duplex	\$ 251	1%	\$ 431	1%
SPOT	1,591	5	1,474	5
Commercial IoT	2,072	7	833	3
Other	45	—	1	—
Total	\$ 3,959	13%	\$ 2,739	9%

The following table sets forth our average number of subscribers and ARPU by type of revenue.

	Three Months Ended March 31,	
	2019	2018
Average number of subscribers for the period:		
Duplex	59,978	69,033
SPOT	288,840	293,561
Commercial IoT	384,673	332,813
IGO	27,017	31,200
Other	953	1,253
Total	761,461	727,860
ARPU (monthly):		
Duplex	\$ 48.05	\$ 42.41
SPOT	15.11	14.72
Commercial IoT	3.20	3.09
IGO	2.05	2.23

The numbers reported in the above table are subject to immaterial rounding inherent in calculating averages.

We count "subscribers" based on the number of devices that are subject to agreements that entitle them to use our voice or data communications services rather than the number of persons or entities who own or lease those devices.

Other service revenue includes revenue generated primarily from sources which are not subscriber driven, such as engineering services. Accordingly, we do not present ARPU for other service revenue in the table above.

Service Revenue

Duplex service revenue decreased 2% for the three months ended March 31, 2019 compared to the same period in 2018 due primarily to a decrease in average subscribers; this decrease was offset partially by an increase in ARPU. The decrease in average subscribers was due to lower gross activations resulting from fewer equipment sales over the last twelve months as well as normal churn in the subscriber base; this decline negatively impacted Duplex service revenue by \$1.2 million. ARPU increased 13% for the three months ended March 31, 2019 compared to the same period in 2018, contributing \$1.0 million to the total Duplex service revenue increase. The increase in ARPU was driven primarily by price increases for certain of our legacy rate plans to align our rate plans with our service levels.

SPOT service revenue increased 1%, for the three months ended March 31, 2019 compared to the same period in 2018 due to an increase in ARPU, offset partially by a decline in the average subscriber base. ARPU increased 3% for the three month period ended March 31, 2019 compared to the same period in 2018 resulting in higher SPOT service revenue of \$0.3 million. Higher ARPU was driven primarily by rate plan increases. The blend of subscribers in the SPOT base also impacts ARPU. For instance, rate plans for new subscribers activating our SPOT Gen3[®] and SPOT X[™] devices are higher than our current blended ARPU, whereas SPOT Trace[®] subscribers activate on rate plans lower than current ARPU levels. The average number of SPOT subscribers decreased 2% for the three months ended March 31, 2019 compared to the same period in 2018 negatively impacting SPOT service revenue by \$0.2 million. The decrease in average subscribers was due primarily to lower activations in recent months due to fewer promotions in our retailer channel, coupled with production issues experienced upon the launch of SPOT X[™] that slowed sales of that product during 2018. These production issues have been substantially resolved.

Commercial IoT service revenue increased 20% for the three months ended March 31, 2019 compared to the same period in 2018 due to increases in both ARPU and average subscribers. The increase in ARPU contributed \$0.1 million and the increase in average subscribers contributed \$0.5 million to higher service revenue during the three months ended March 31, 2019. The increase in average subscribers was driven by higher equipment sales during the last twelve months, primarily in North America due to the 2018 launch of SmartOne Solar[™] as well as strong sales of legacy equipment.

Other service revenue decreased \$0.5 million for the three months ended March 31, 2019 compared to the same period in 2018. This decrease was driven primarily by the timing and amount of revenue we recognized related to government contracts, which was negatively impacted by regulatory delays that we expect to resolve in the near future.

Subscriber Equipment Sales

Revenue from Duplex equipment sales decreased \$0.2 million for the three months ended March 31, 2019 compared to the same period in 2018. The decrease was due to a decline in the volume of Duplex products and related accessories. We also ran promotions near the end of 2018 which recurred in the first quarter of 2019 resulting in lower pricing of our GSP-1700 phones and related accessories. These decreases were offset partially by sales of Sat-Fi2[™], our new second-generation Duplex device, which was released in April 2018. Based on initial customer feedback, we have slowly released this product into the market as we focus on optimizing functionality, performance and usability; therefore, sales of this device have been lower than expected.

Revenue from SPOT equipment sales increased \$0.1 million for the three months ended March 31, 2019 compared to the same period in 2018. This increase was driven primarily by sales of our new SPOT X[™] product, which was released in May 2018 and is sold at a higher price than our other SPOT devices. Partially offsetting the revenue contribution from our latest SPOT product was a decline in the volume of our legacy SPOT products.

Revenue from Commercial IoT equipment sales increased \$1.2 million for the three months ended March 31, 2019 compared to the same period in 2018. We continue to see increased demand for our commercial IoT products, including our latest device, SmartOne Solar[™], which was launched in March 2018, and contributed to nearly fifty percent of total equipment sales revenue during the first quarter of 2019. Higher sales volume of our legacy products also contributed to the increase in equipment revenue.

Operating Expenses

Total operating expenses increased \$6.7 million, or 16%, to \$48.4 million for the three months ended March 31, 2019. The increase in total operating expenses was driven primarily by an increase in depreciation, amortization and accretion expense.

Cost of Services

Cost of services increased \$0.9 million for the three months ended March 31, 2019 compared to the same period in 2018. This increase was due primarily to higher research and development costs of \$0.4 million associated with initiatives focusing on new commercial IoT offerings as well as higher personnel and contractor costs of \$0.3 million due to the timing and scope of capital projects. Other smaller items contributed to the remaining change in cost of services during the year.

Cost of Subscriber Equipment Sales

Cost of subscriber equipment sales increased \$0.9 million for the three months ended March 31, 2019 from the same period in 2018. This increase is generally consistent with the increase in revenue generated from subscriber equipment sales. Predominantly contributing to the increase are costs related to sales of two new products launched during 2018, our SPOT X™ and SmartOne Solar™.

Marketing, General and Administrative

Marketing, general and administrative expenses increased \$0.3 million for the three months ended March 31, 2019 compared to the same period in 2018, driven by several factors.

As previously disclosed, we moved into a new headquarters location in February 2019. As a result of this relocation, our annual rent expense, including associated taxes and other operating costs, has increased; the annualized impact of the higher rent expense is \$1.2 million. During the first quarter of 2019, total occupancy charges, including rent expense and operating costs, increased \$0.4 million. Additionally, personnel costs and stock based compensation increased \$0.4 million and bad debt expense increased \$0.5 million due to an aged receivable from an IGO that was deemed to be uncollectible. Increases in subscriber acquisition costs of \$0.3 million also contributed to the increase in marketing, general and administrative expenses due to market research as well as the timing of event sponsorships.

Offsetting the increases in expense was a reduction in costs for consultants and other advisors related to strategic opportunities of \$1.4 million. The first quarter of 2018 included costs to support the now-terminated merger of \$0.4 million and related debt amendment costs of \$0.4 million, both of which did not recur in 2019 (see Note 9: Related Party Transactions for further discussion). Additionally, the timing and scope of work to support terrestrial spectrum-related efforts produced higher expense during the first quarter of 2018 than the first quarter of 2019.

Depreciation, Amortization and Accretion

Depreciation, amortization and accretion expense increased \$4.6 million for the three months ended March 31, 2019 from the same period in 2018. This increase was due primarily to placing our next-generation ground infrastructure into service during 2018 (as discussed below) as well as placing other assets into service, including manufacturing and testing equipment, software and leasehold improvements. Since April 1, 2018, we have placed into service approximately \$220.4 million of construction in progress (including capitalized interest) associated with our next-generation upgrades to our ground infrastructure. The costs placed into service represent primarily the gateways capable of supporting commercial traffic from Sat-Fi2™, the first device to work on our upgraded network. We expect depreciation expense for these assets to be approximately \$3.7 million per quarter for an estimated life of fifteen years.

As of March 31, 2019, we had \$10.6 million in construction in progress primarily related to the remaining costs (including capitalized interest) associated with our next-generation upgrades to our ground infrastructure in certain regions around the world. We will place these assets into service when they are deployed.

Other Income (Expense)

Interest Income and Expense

Interest income and expense, net, increased \$5.5 million during the three months ended March 31, 2019, compared to the same period in 2018.

For the three months ended March 31, 2019, the increase in interest expense, net, was driven by a reduction in capitalized interest of \$5.0 million due primarily to a reduction in our construction in progress balance related to our ground network, which results in lower interest eligible to be capitalized. As discussed above, we placed approximately \$220.4 million of assets into service during 2018 and the first quarter of 2019, which decreased our construction in progress balance. Gross interest costs increased \$0.7 million due to an increase in interest expense on our Facility Agreement from a higher margin and LIBOR rate used to calculate the interest rate and a higher principal balance outstanding on our Loan Agreement with Thermo. This increase in interest expense was offset by an increase in interest income of \$0.2 million, resulting primarily from a higher balance in our restricted cash account.

Derivative Gain

Derivative gain was \$57.0 million for the three months ended March 31, 2019, compared to a \$108.9 million for the same period in 2018.

We recognize gains or losses due to the change in the value of certain embedded features within our debt instruments that require standalone derivative accounting. Although fluctuation in our stock price is the most significant cause for the change in value of these derivative instruments, other inputs impact the value, including stock price volatility, discount rate, maturity date, the base conversion rate and changes in the principal amount of notes outstanding. See Note 7: Fair Value Measurements to our condensed consolidated financial statements for further discussion of the computation of the fair value of our derivatives.

Other

Other income (loss) fluctuated by \$0.7 million to nearly zero for the three months ended March 31, 2019 from a loss of \$0.7 million for the same period in 2018. Changes in other income (loss) are due primarily to foreign currency gains and losses recognized during the respective periods given the significant financial statement items we have denominated in foreign currencies, including primarily the Brazilian real, euro and Canadian dollar.

Liquidity and Capital Resources

Overview

Our principal liquidity requirements include paying our debt service obligations and funding our operating costs, including certain contractual obligations discussed in Part II, Item 7. *Management's Discussion and Analysis of Financial Condition and Results of Operations* in our 2018 Annual Report. Our principal sources of liquidity include cash on hand and cash flows from operations. We expect that these sources of liquidity will be insufficient to pay our debt service obligations over the next twelve months (see Note 5: Long-Term Debt and Other Financing Arrangements to our condensed consolidated financial statements for further discussion of management's plans to address this shortfall). We also expect sources of liquidity to include funds from other debt or equity financings that have not yet been arranged. See below for further discussion. See Part I, Item 1A. Risk Factors in our 2018 Annual Report for a description of risks, some of which are beyond our control, affecting our ability to fulfill our liquidity requirements.

As of March 31, 2019, we held cash and cash equivalents of \$13.8 million and restricted cash of \$60.6 million, consisting of the balance in our debt service reserve account under the Facility Agreement. The Facility Agreement restricts the use of these funds to making principal and interest payments under our Facility Agreement. See below for further discussion.

As of March 31, 2019, we also had a reserve of \$10.1 million held with our credit card processor to address any liability arising from potential charge-backs given the growth in both volume and amount of our annual service subscriptions, among other factors. We are in the process of transitioning to an alternative credit card processor and expect that the total cash required to be withheld will decrease to \$5.0 million by the third quarter of 2019. The reserve amount is recorded in prepaid and other current assets on our condensed consolidated balance sheet. We are in discussions with our senior lenders to evaluate how this reserve impacts the terms of our Facility Agreement.

As of December 31, 2018, we held cash and cash equivalents of \$15.2 million and had \$60.3 million in restricted cash.

The carrying amount of our current and long-term debt outstanding was \$96.2 million and \$374.0 million, respectively, at March 31, 2019, compared to \$96.2 million and \$367.2 million, respectively, at December 31, 2018. The current portion of our debt outstanding at these dates represents primarily principal payments under our Facility Agreement scheduled to occur within 12 months. At March 31, 2019, this current debt balance also included the total outstanding amount of our 2013 8.00% Notes based on the put and call features in these notes. Accordingly, any such redemption is expected to result in the conversion of the notes by the holders in lieu of cash payment by us at par value. The increase in our total debt balance was due primarily to a higher carrying value of the Loan Agreement with Thermo due to interest accruing on that debt as well as accretion of the debt discount associated with the Loan Agreement with Thermo and a higher carrying value of the Facility Agreement due to accretion of debt financing costs.

Indebtedness and Available Credit

Facility Agreement

We entered into the Facility Agreement in 2009, which was amended and restated in July 2013, August 2015 and June 2017. The Facility Agreement is scheduled to mature in December 2022.

The Facility Agreement contains customary events of default and requires that we satisfy various financial and non-financial covenants. The compliance calculations of the financial covenants of the Facility Agreement permit us to include certain cash funds we receive from the issuance of our common stock and/or subordinated indebtedness before or immediately after the calculation date. We refer to these funds as "Equity Cure Contributions" and we may include them in calculating compliance with financial covenants through December 2019, subject to the conditions set forth in the Facility Agreement. If we violate any covenants and are unable to obtain a sufficient Equity Cure Contribution or a waiver, or are unable to make payments to satisfy our debt obligations under the Facility Agreement and are unable to obtain a waiver, we would be in default under the Facility Agreement, and the lenders could accelerate payment of the indebtedness. The acceleration of our indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross-acceleration provisions. We anticipate that we will need an Equity Cure Contribution to maintain compliance with financial covenants under the Facility Agreement for the measurement periods ending June 30, 2019 and December 31, 2019. The source of funds for these Equity Cure Contributions has not yet been arranged. As of March 31, 2019, we were in compliance with respect to the covenants of the Facility Agreement, except for one matter. The agent to the lenders of the Facility Agreement recently notified us that they believe that we had not complied with a certain administrative provision within the Facility Agreement. We believe that we have remedied any noncompliance within the allowed cure period in order to avoid an event of default.

The Facility Agreement also requires that we maintain a debt service reserve account that is pledged to secure all of our obligations under the Facility Agreement. We may use the debt service reserve account funds only to make principal and interest payments under the Facility Agreement. The balance in the debt service reserve account must equal the total amount of principal and interest payable on the next payment date. As of March 31, 2019, the balance in the debt service reserve account was \$60.6 million and classified as restricted cash on our condensed consolidated balance sheets.

Our indebtedness under the Facility Agreement bears interest at a floating rate of LIBOR plus 3.75% through June 2019, increasing by an additional 0.5% each year thereafter to a maximum rate of LIBOR plus 5.75%. Interest on the Facility Agreement is payable semi-annual in arrears in June and December of each calendar year. Ninety-five percent of our obligations under the Facility Agreement are guaranteed by Bpifrance Assurance Export S.A.S. ("BPIFAE") (formerly COFACE). Our obligations under the Facility Agreement are guaranteed on a senior secured basis by all of our domestic subsidiaries and are secured by a first priority lien on substantially all of our assets and our domestic subsidiaries (other than their FCC licenses), including patents and trademarks, 100% of the equity of our domestic subsidiaries and 65% of the equity of certain foreign subsidiaries.

See Note 5: Long-Term Debt and Other Financing Arrangements to our condensed consolidated financial statements for further discussion of the Facility Agreement.

Thermo Agreements

We have an amended and restated loan agreement with Thermo (the “Loan Agreement”). Our obligations to Thermo under the Loan Agreement are subordinated to all of our obligations under the Facility Agreement. Amounts outstanding under the Loan Agreement accrue interest at 12% per annum, which we capitalize and add to the outstanding principal in lieu of cash payments. We will make payments to Thermo only when permitted by the Facility Agreement. Principal and interest under the Loan Agreement become due and payable six months after the obligations under the Facility Agreement have been paid in full, or earlier if there is a change in control or any acceleration of the maturity of the loans under the Facility Agreement occurs. As of March 31, 2019, the principal amount outstanding was \$123.3 million, including \$79.8 million of interest that had accrued since 2009 under to the Loan Agreement.

As part of the July 2013 amendment and restatement of the Loan Agreement, conversion features were added to the Loan Agreement consistent with those features in the 2013 8.00% Notes. Outstanding amounts under the Loan Agreement are convertible into shares of common stock at a conversion price of \$0.69 (as adjusted) per share of common stock.

See Note 5: Long-Term Debt and Other Financing Arrangements to our condensed consolidated financial statements for further discussion of the Thermo Agreements.

8.00% Convertible Senior Notes Issued in 2013

Our 2013 8.00% Notes are convertible into shares of our common stock at a conversion price of \$0.69 (as adjusted) per share of common stock. As of March 31, 2019, the principal amount outstanding of the 2013 8.00% Notes was \$1.4 million. The 2013 8.00% Notes will mature on April 1, 2028, subject to various call and put features. A holder of 2013 8.00% Notes has the right, at the holder’s option, to require us to purchase some or all of the 2013 8.00% Notes on April 1, 2023 at a price equal to the principal amount of the 2013 8.00% Notes to be purchased plus accrued and unpaid interest. Interest on the 2013 8.00% Notes is payable semi-annually in arrears on April 1 and October 1 of each year. We pay interest in cash at a rate of 5.75% per annum and by issuing additional 2013 8.00% Notes at a rate of 2.25% per annum.

The indenture governing the 2013 8.00% Notes provides for customary events of default. If there is an event of default, the Trustee may, at the direction of the holders of 25% or more in aggregate principal amount of the 2013 8.00% Notes, accelerate the maturity of the 2013 8.00% Notes. As of March 31, 2019, we were in compliance under the terms of the 2013 8.00% Notes and the Indenture.

See Note 5: Long-Term Debt and Other Financing Arrangements to our condensed consolidated financial statements for further discussion of the 2013 8.00% Notes.

Cash Flows for the three months ended March 31, 2019 and 2018

The following table shows our cash flows from operating, investing and financing activities (in thousands):

	Three Months Ended	
	March 31, 2019	March 31, 2018
Net cash provided by operating activities	\$ 1,325	\$ 9,832
Net cash used in investing activities	(2,261)	(2,386)
Net cash used in financing activities	(193)	—
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(14)	(22)
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ (1,143)	\$ 7,424

Cash Flows Provided by Operating Activities

Cash provided by operations includes primarily cash receipts from subscribers related to the purchase of equipment and satellite voice and data services. We use cash in operating activities primarily for personnel costs, inventory purchases and other general corporate expenditures. Net cash provided by operating activities during the three months ended March 31, 2019 was \$1.3 million compared to \$9.8 million during the same period in 2018. This decrease was due primarily to unfavorable working capital changes related predominantly to a \$7.8 million increase in the reserve required from our credit card processor, as previously discussed. Also contributing to the decrease was lower net income, after adjusting for non-cash items.

Cash Flows Used in Investing Activities

Cash used in investing activities was \$2.3 million for the three months ended March 31, 2019 compared to \$2.4 million for the same period in 2018. During the first quarter of 2019, we had additions primarily related to the construction of new antennas for our gateways around the world as well as costs to support an upgraded billing system. During the first quarter of 2018, additions were related to costs to bring our newly developed products into production, including software and other back office efforts.

Cash Flows Used in Financing Activities

There were no significant cash flows provided by or used in financing activities during each of the three month periods ending March 31, 2019 and 2018.

Contractual Obligations and Commitments

There have been no significant changes to our contractual obligations and commitments since December 31, 2018.

Off-Balance Sheet Transactions

We have no material off-balance sheet transactions.

Recently Issued Accounting Pronouncements

For a discussion of recently issued accounting guidance and the expected impact that the guidance could have on our condensed consolidated financial statements, see *Recently Issued Accounting Pronouncements* in Note 1: Basis of Presentation to our condensed consolidated financial statements in Part 1, Item 1 of this Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Our services and products are sold, distributed or available in over 120 countries. Our international sales are denominated primarily in Canadian dollars, Brazilian reais and euros. In some cases, insufficient supplies of U.S. currency may require us to accept payment in other foreign currencies. We reduce our currency exchange risk from revenues in currencies other than the U.S. dollar by requiring payment in U.S. dollars whenever possible and purchasing foreign currencies on the spot market when rates are favorable. We currently do not purchase hedging instruments to hedge foreign currencies. We are obligated to enter into currency hedges with the lenders to the Facility Agreement no later than 90 days after any fiscal quarter during which more than 25% of revenues is denominated in a single currency other than U.S. or Canadian dollars. Otherwise, we cannot enter into hedging agreements other than interest rate cap agreements or other hedges described above without the consent of the agent for the Facility Agreement, and with that consent the counterparties may only be the lenders to the Facility Agreement.

We also have operations in Venezuela. Since 2010, the Venezuelan government's frequent modifications to its currency laws have caused the bolivar to devalue significantly and resulted in Venezuela being considered a highly inflationary economy. We continue to monitor the significant uncertainty surrounding current Venezuela exchange mechanisms.

Our interest rate risk arises from our variable rate debt under our Facility Agreement, under which loans bear interest at a floating rate based on the LIBOR. In order to reduce the interest rate risk, we completed an arrangement with the lenders under the Facility Agreement to limit the interest to which we are exposed. The interest rate cap provides limits on the 6-month LIBOR rate (Base Rate) used to calculate the coupon interest on outstanding amounts on the Facility Agreement to be capped at 5.50% should the Base Rate not exceed 6.5%. Should the Base Rate exceed 6.5%, our Base Rate will be 1% less than the then 6-month LIBOR rate. We have \$389.4 million in principal outstanding under the Facility Agreement. A 1.0% change in interest rates would result in a change to interest expense of approximately \$3.9 million annually.

See Note 7: Fair Value Measurements in our condensed consolidated financial statements for discussion of our financial assets and liabilities measured at fair market value and the market factors affecting changes in fair market value of each.

Item 4. Controls and Procedures.

(a) Evaluation of disclosure controls and procedures.

Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934 as of March 31, 2019, the end of the period covered by this Report. This evaluation was based on the guidelines established in *Internal Control - Integrated Framework* issued in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives.

Based on this evaluation, each of our Principal Executive Officer and Principal Financial Officer concluded that as of March 31, 2019 our disclosure controls and procedures were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

We believe that the condensed consolidated financial statements included in this Report fairly present, in all material respects, our condensed consolidated financial position and results of operations for the three months ended March 31, 2019.

(b) Changes in internal control over financial reporting.

As of March 31, 2019, our management, with the participation of our Principal Executive Officer and Principal Financial Officer, evaluated our internal control over financial reporting. Based on that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that no changes in our internal control over financial reporting occurred during the quarter ended March 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings.

For a description of our material pending legal and regulatory proceedings and settlements, see Note 8: Contingencies in our Condensed Consolidated Financial Statements in Part I, Item 1 of this Report.

Item 1A. Risk Factors.

You should carefully consider the risks described in this Report and all of the other reports that we file from time to time with the SEC, in evaluating and understanding us and our business. Additional risks not presently known or that we currently deem immaterial may also impact our business operations and the risks identified in this Report may adversely affect our business in ways we do not currently anticipate. Our financial condition or results of operations also could be materially adversely affected by any of these risks. There have been no material changes to our risk factors disclosed in Part I. Item 1A. "Risk Factors" of our 2018 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Not Applicable

Item 3. Defaults upon Senior Securities.

None

Item 4. Mine Safety Disclosures.

Not Applicable

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description
3.1	Amendment #4 to the Amended and Restated Certificate of Incorporation of Globalstar, Inc.
10.1	Lease Agreement by and between Globalstar, Inc. and Thermo Covington, LLC dated February 1, 2019
31.1	Section 302 Certification of the Principal Executive Officer
31.2	Section 302 Certification of the Principal Financial Officer
32.1	Section 906 Certification of the Principal Executive Officer
32.2	Section 906 Certification of the Principal Financial Officer
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GLOBALSTAR, INC.

Date: May 2, 2019

By: /s/ David B. Kagan

David B. Kagan

Chief Executive Officer (Principal Executive Officer)

/s/ Rebecca S. Clary

Rebecca S. Clary

Chief Financial Officer (Principal Financial Officer)

**THE SECOND AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION**

OF

GLOBALSTAR, INC.

1. The name of the corporation is Globalstar, Inc. (the "Corporation"). The Corporation was originally formed on November 21, 2003 as a Delaware limited liability company named New Operating Globalstar LLC. The Corporation converted to a Delaware corporation under the name Globalstar, Inc. and filed the original Certificate of Incorporation of the Corporation with the Secretary of State of the State of Delaware on March 17, 2006.

2. The Corporation filed an Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware on October 25, 2006.

3. This Second Amended and Restated Certificate of Incorporation has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law of the State of Delaware and written consent has been given in accordance with Section 228 of the General Corporation Law of the State of Delaware.

4. This Second Amended and Restated Certificate of Incorporation hereby amends and restates the Amended Certificate of Incorporation to read in its entirety as follows:

FIRST

The name of the Corporation is Globalstar, Inc. (the "Corporation").

SECOND

The address of the Corporation's registered office in the State of Delaware is 251 Little Falls Drive, Wilmington, Delaware, 19808, County of New Castle. The name of its registered agent at such address is Corporation Service Company.

THIRD

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the State of Delaware.

FOURTH

The Corporation shall have the authority to issue Two Billion (2,000,000,000) total shares of capital stock, consisting of One Hundred Million (100,000,000) shares of Preferred Stock, \$0.0001 par value per share (the "Preferred Stock"), and One Billion Nine Hundred Million (1,900,000,000) shares of voting common stock, \$0.0001 par value per share (the "common stock" or "Common Stock").

Subject to the provisions of law, the rights, preferences and limitations of the common stock shall be as set forth in this Article Fourth. The Board of Directors of the Corporation (the "Board") is hereby authorized, without requirement of the consent, approval or authorization of the stockholders of the Corporation, except as otherwise expressly required by the terms of this Amended and Restated Certificate of Incorporation (as it may be amended from time to time, including, without limitation, the terms of any certificate or resolution designating the rights, powers, preferences, qualifications, limitations and restrictions of any series of Preferred Stock, the "Certificate of Incorporation"), to authorize, establish, designate, create and issue by resolution of the Board from time to time one or more series of Preferred Stock, each such series having such rights, powers, preferences, qualifications, limitations and restrictions as the Board shall designate in such resolution.

COMMON STOCK

All outstanding shares of common stock shall be identical and shall entitle the holders thereof to the same rights and privileges. The holders of shares of common stock shall have no preemptive or preferential rights of subscription to any shares of any class of capital stock of the Corporation.

1. Dividends. Subject to the provisions of law and the rights that may be granted to holders of any Preferred Stock, the holders of common stock shall be entitled to receive out of funds legally available therefor a pro rata share of any dividends that the Board in its sole discretion may declare. The Board may fix a record date for the determination of holders of shares of common stock entitled to receive payment of a dividend declared thereon, which record date shall be not more than sixty (60) days nor less than ten (10) days prior to the date fixed for payment of the dividend.

2. Liquidation, Dissolution or Winding-Up and Distributions. Subject to the provisions of law and any rights that may be granted to holders of any Preferred Stock, the assets available for distribution to holders of common stock upon liquidation, dissolution or winding up of the Corporation shall be distributed ratably among the holders of the common stock.

3. Voting Rights.

(A) In General. Subject to subparagraph (C) of this Article Fourth, Section 3 and Article Eleventh, the holders of outstanding shares of Common Stock shall have the right to vote on all matters submitted to the stockholders of the Corporation.

(B) Procedures at Meetings. Subject to subparagraph (C) of this Article Fourth, Section 3 and Article Eleventh, at every meeting with respect to matters on which the holders of outstanding shares of Common Stock are entitled to vote, the holders of outstanding shares of Common Stock shall be entitled to one vote per share.

(C) Minority Directors; Other Thermo-Voting Issues: Until such time as Thermo shall no longer be the beneficial owner of 45% or more of the Corporation's outstanding

Common Stock (the “Relevant Time Period”), (i) two members of the Board (the “Minority Directors”) shall be elected by a vote of the stockholders of the Corporation other than the Thermo Stockholders and (ii) no Thermo Stockholder shall be entitled to vote on, or consent to, or have any voting power with respect to, the election (including to fill a vacancy) or removal without cause of the Minority Directors. In addition, and regardless of the number of shares of Common Stock owned, Thermo may not exercise in the election of directors voting rights of shares representing 70% or more of the total voting power of all outstanding voting stock having power to vote. The Minority Directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of Minority Directors. During the Relevant Time Period, vacancies in any directorship previously held by a Minority Director may be filled only by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of Minority Directors. Except as provided in the immediately preceding sentence, newly created directorships or any vacancy occurring in the Board for any reason may be filled only by the remaining directors (including any Minority Directors), even if less than a majority of the whole authorized number of directors by vote of a majority of those remaining in office, and each director so appointed shall hold office until the expiration of the term of office of the director whom he or she has replaced or until his or her successor is elected and qualified. During the Relevant Time Period, no person shall qualify or be eligible for election or reelection (including to fill a vacancy) as a Minority Director unless such person has been nominated in accordance with Article Twelfth of this Certificate of Incorporation or by a stockholder other than Thermo (provided, for the avoidance of doubt, Thermo may suggest individuals for nomination as Minority Directors to the Strategic Review Committee). For purpose of this Certificate of Incorporation: (a) “Action” means the action captioned *Mudrick Capital Management, L.P. v. Monroe*, C.A. No. 2018-0699 TMR, (b) “Judgment” means the Order and Judgment entered by the Court of Chancery of the State of Delaware in connection with the settlement of the Action; (c) the Minority Directors shall include the Initial Minority Directors (as defined in the Judgment) and those persons who, during the Relevant Time Period, are serving or elected to serve in the director seats to which the Initial Minority Directors were appointed in accordance with the Judgment; and (d) for purposes of determining the capital stock of the Corporation beneficially owned by Thermo, the Corporation shall rely on filings of Schedule 13D or 13G under the Securities and Exchange Act of 1934, as amended (or similar filings), or, if no such filings are current, the actual knowledge of the Board, as of any date. Notwithstanding this paragraph, references in this Certificate of Incorporation and in the Bylaws of the Corporation (as amended from time to time, the “Bylaws”) to “outstanding shares of capital stock of the Corporation then entitled to vote in the election of the directors” shall include shares of Common Stock beneficially owned by Thermo.

(D) Director Qualification: As of the Effective Date (as defined in the Judgment), the size of the Board is seven (7). If, following the Effective Date, the size of the Board is expanded, the first two (2) additional member(s) of the Board shall be deemed, for purposes of this Certificate of Incorporation, the “Additional Member(s)”. During the Relevant Time Period, no person nominated by the Board shall qualify or be eligible for election or reelection as an Additional Member, and no person shall qualify for appointment by the Board to fill a vacancy or newly created directorship as an Additional Member, unless such person shall first have been determined to be an approved seasoned expert in the telecom industry by (A) the Strategic Review

Committee (as defined in Article Twelfth) and (B) Mr. James Monroe III (“Monroe”); provided, however, that such approval shall not be unreasonably withheld.

FIFTH

The Corporation shall have perpetual existence.

SIXTH

In furtherance and not in limitation of the powers conferred upon the Board of Directors by law, the Board shall have power to adopt, amend and repeal the Bylaws of the Corporation from time to time. The Bylaws of the Corporation may also be amended or repealed or new bylaws of the Corporation may be adopted, by the vote of the holders of at least 66 2/3% in voting power of the outstanding shares of capital stock of the Corporation then entitled to vote in the election of the directors. Notwithstanding the foregoing, if Thermo owns beneficially a majority in voting power of the outstanding shares of capital stock of the Corporation then entitled to vote in the election of the directors, the Bylaws of the Corporation may also be amended or repealed by the vote of the holders of a majority in voting power of the outstanding shares of capital stock of the Corporation then entitled to vote in the election of the directors.

SEVENTH

Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board or in the Bylaws. Elections of directors need not be by written ballot unless the Bylaws shall so provide. If Thermo owns beneficially a majority in voting power of the outstanding shares of capital stock of the Corporation entitled to vote in the election of the directors, directors may be removed with or without cause; *provided, that*, for the avoidance of doubt, through the end of the Relevant Time Period, no Thermo Stockholder shall be entitled to vote on, or consent to, or have any voting power with respect to, the removal without cause of the Minority Directors. If Thermo does not own beneficially a majority in voting power of the outstanding shares of the Corporation entitled to vote in the election of the directors, directors may be removed only for cause by the holders of at least 66 2/3% in voting power of the outstanding shares of capital stock of the Corporation then entitled to vote in the election of the directors.

If Thermo owns beneficially a majority in voting power of the outstanding shares of capital stock of the Corporation entitled to vote in the election of the directors, any action that is required to be or that may be taken at any annual or special meeting of the stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding capital stock having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote on the action were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. If Thermo does not own beneficially a majority in voting power of the outstanding shares of capital stock of the Corporation

entitled to vote in the election of the directors, no action may be taken by the stockholders of the Corporation without a meeting and any action required to be taken by the stockholders may be taken only at an annual or special meeting of the stockholders called in accordance with law and the Bylaws of the Corporation.

EIGHTH

A director of the Corporation shall not be liable to the Corporation or the stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent that exculpation from liability is not permitted under the General Corporation Law of the State of Delaware as in effect at the time such liability is determined. No amendment or repeal of this Article Eighth shall apply to or have any effect on the liability of any director with respect to acts or omission of such director prior to such amendment or repeal. To the maximum extent permitted from time to time under the law of the State of Delaware, the Corporation renounces any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, business opportunities that are from time to time being presented to its officers, directors or stockholders, other than (i) those officers, directors or stockholders who are employees of the Corporation and (ii) those opportunities demonstrated by the Corporation to have been presented to officers or directors of the Corporation in their capacity as such. No amendment or repeal of this Article Eighth shall apply to or have any effect on any opportunities which such officer, director or stockholder becomes aware prior to such amendment or repeal.

NINTH

The Corporation shall, to the maximum extent permitted from time to time under the law of the State of Delaware, indemnify upon request and after receipt of an undertaking to repay such amount if it shall be ultimately determined that the requesting person is not entitled to be indemnified by the Corporation advance expenses to any person who is or was a party or is threatened to be made a party to any threatened, pending or completed action, suit, proceeding or claim, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of any corporation, partnership, joint venture, trust, limited liability company or other enterprise, including service with respect to employee benefit plans, against expenses (including attorney's fees and expenses), judgments, fines, penalties, amounts paid in settlement and expenses actually and reasonably incurred by him or her in connection with the investigation, preparation to defend or defense of such action, suit, proceeding or claim; provided, however, that the foregoing shall not require the Corporation to indemnify or advance expenses to any person in connection with any action, suit, proceeding or claim initiated by or on behalf of such person or any counterclaim against the Corporation initiated by or on behalf of such person. Such indemnification shall not be exclusive of other indemnification rights arising under any bylaw, agreement, vote of directors or stockholders or otherwise and shall inure to the benefit of the heirs and legal representatives of such person. Any person seeking indemnification under this Article Ninth shall be deemed to have met the standard of conduct required for such indemnification unless the contrary shall be established. Any repeal or modification of the foregoing provisions of this Article Ninth shall not adversely affect any right or protection of a

director or officer of the Corporation with respect to any acts or omissions of such director or officer occurring prior to such repeal or modification.

To the fullest extent permitted by law as it presently exists, or may hereafter be amended from time to time, the Corporation may purchase and maintain insurance or make other financial arrangements on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, stockholder, member, partner, trustee, employee or agent of any other person, joint venture, corporation, trust, limited liability company, partnership or other enterprise, for any liability asserted against him or her and expenses incurred by him or her in his or her capacity as a director, officer, stockholder, member, partner, employee or agent, or arising out of his or her status as such, whether or not the Corporation has the authority to indemnify him or her against such liability and expenses. To the fullest extent permitted by law as it presently exists, or may hereafter be amended from time to time, other financial arrangements made by the Corporation pursuant to this Article Ninth may include (i) the creation of a trust fund; (ii) the establishment of a program of self-insurance; and (iii) the establishment of a letter of credit, guaranty or surety. No financial arrangement made pursuant to this Article Ninth may provide protection for a person adjudged by a court of competent jurisdiction to be liable for intentional misconduct, fraud, or a knowing violation of law, except with respect to the advancement of expenses or indemnification ordered by a court.

To the fullest extent permitted by law as it presently exists, or may hereafter be amended from time to time, in the absence of intentional misconduct, fraud or a knowing violation of law: (i) the decision of the Corporation as to the propriety of the terms and conditions of any insurance or other financial arrangement made pursuant to this Article Ninth, and the choice of the person to provide the insurance or other financial arrangement, shall be conclusive; and (ii) the insurance or other financial arrangement shall not (1) be void or voidable or (2) subject any director or stockholder approving it to personal liability for his or her action, even if the director or stockholder is a beneficiary of the insurance or arrangement.

TENTH

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation, provided, however, the Corporation shall not amend this Certificate of Incorporation without the prior affirmative vote of the holders of at least 66 2/3% in voting power of the outstanding shares of capital stock of the Corporation then entitled to vote in the election of the directors. Notwithstanding the foregoing, if Thermo owns beneficially a majority in voting power of the outstanding shares of capital stock of the Corporation then entitled to vote in the election of the directors, this Certificate of Incorporation may also be amended, altered, changed or repealed by the vote of the holders of a majority in voting power of the outstanding shares of capital stock of the Corporation then entitled to vote in the election of the directors.

ELEVENTH

During the Relevant Time Period, the Corporation shall not have power to effect a Related Party Transaction unless such Related Party Transaction shall be approved by the affirmative vote of a majority of shares of common stock owned by stockholders other than Thermo and voting affirmatively or negatively on the matter. For purposes of this Certificate of Incorporation, a “Related Party Transaction” shall mean any transaction between the Corporation, on the one hand, and one or more of the Thermo Stockholders, on the other hand, that either (i) requires a stockholder vote pursuant to the General Corporation Law of the State of Delaware or (ii) has a value (as determined in good faith by the Strategic Review Committee) of \$5,000,000 or more; *provided, however*, that none of the following shall be a Related Party Transaction: (i) a financing that includes participation by one or more of the Thermo Stockholders on terms equal (as determined in good faith by the Board) to other parties (including, for the avoidance of doubt, the equity offering or similarly structured capital raising transaction contemplated by the Judgment) (a “Permitted Financing”), (ii) the conversion of subordinated debt held by Thermo into capital stock of the Corporation in accordance with the terms of such debt as existing as of the Effective Date (a “Debt Conversion”), (iii) the exercise of options by any Thermo Stockholder (including, for the avoidance of doubt, Monroe) in accordance with the terms of such options as existing as of the Effective Date (an “Option Conversion”), and (iv) a lease with respect to the Corporation’s headquarters (a “Lease” and with any Permitted Financing, any Debt Conversion, and any Option Conversion, the “Carve Out Transactions”). Any determination made by the Strategic Review Committee or the Board pursuant to this Certificate of Incorporation shall be final, conclusive and binding.

TWELFTH

The Board shall (i) establish and maintain through the end of the Relevant Time Period a standing “Strategic Review Committee” and (ii) designate directors to the Strategic Review Committee. The Strategic Review Committee shall remain in existence through the end of the Relevant Time Period. Unless the Strategic Review Committee is prohibited under applicable law from having the power or authority to act on any of the following matters, the Strategic Review Committee shall, during the Relevant Time Period, have exclusive responsibility for oversight, review, and approval (to the extent permitted by law) or disapproval of the following: (i) any acquisition by Thermo of additional newly-issued securities of the Corporation (other than pursuant to a Permitted Financing, a Debt Conversion or an Option Conversion); (ii) any extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the Corporation or any of its subsidiaries; (iii) any sale or transfer of a material amount of assets of the Corporation or any sale or transfer of assets of any of the Corporation’s subsidiaries which are material to the Corporation; (iv) any change in the Board, including any plans or proposals to change the number or term of directors; other than (a) nominations for election or reelection to the Board (except nominations for election or reelection of Minority Directors in connection with the end of a term of a Minority Director, which shall be within the authority of the Strategic Review Committee) and (b) nominations and appointments of individuals to fill vacancies or newly created directorships (except nominations and appointments to fill vacancies of Minority Director seats, which shall be within the authority of the Strategic Review Committee); (v) any material change in the present capitalization or dividend policy of the Corporation (other than pursuant to a

Permitted Financing, a Debt Conversion or an Option Conversion); (vi) any other material changes in the Corporation's lines of business or corporate structure (other than pursuant to a Permitted Financing, a Debt Conversion or an Option Conversion); and (vii) any transaction between the Corporation, on the one hand, and one or more of the Thermo Stockholders, on the other hand, that has a value (as determined in good faith by the Strategic Review Committee) in excess of \$250,000, except for any Permitted Financing, any Debt Conversion, any Option Conversion, and the matters set forth on a Schedule delivered by counsel to defendants in the Action to counsel to plaintiffs in the Action pursuant to the Judgment and on file at the Corporation's headquarters. During the Relevant Time Period, to the extent that any of the foregoing matters, or any matter set forth in the charter of the Strategic Review Committee, cannot be approved solely by the Strategic Review Committee and requires approval of the full Board under applicable law, the Corporation shall not have the power to take such action, and any such action shall be void *ab initio*, unless such action is approved by the Board only after the approval of such action has been recommended to the Board by the Strategic Review Committee. Pursuant to the first sentence of this Article Twelfth, the Board shall appoint four (4) directors to serve on the Strategic Review Committee, two of whom shall consist of the then-serving Minority Directors, and the other two of whom shall be independent directors (as determined in good faith by the Board, but at a minimum, who would qualify (as determined in good faith by the Board) as "independent directors" under the rules and regulations of the New York Stock Exchange) (an "Independent Director"); provided that (y) Monroe shall not serve as a member of the Strategic Review Committee (but the Strategic Review Committee may consult with Monroe as it deems appropriate) and (z) notwithstanding anything to the contrary herein, solely for purposes of constituting the Strategic Review Committee, the requirement of an Independent Director shall be waived for one time (and one time only) to allow Mr. Tim Taylor to be appointed to and serve on the Strategic Review Committee. Notwithstanding anything in this Certificate of Incorporation to the contrary, during a fourteen-day period commencing on the date six months after the effective date of this Second Amended and Restated Certificate of Incorporation, and recurring at each six (6) month interval thereafter for as long as Mr. Taylor is serving on the Strategic Review Committee, the Minority Directors may, by notice signed by each Minority Director and delivered to the Secretary of the Corporation, remove Taylor as a member of the Strategic Review Committee with or without cause (at which time Taylor shall be disqualified from serving on the Strategic Review Committee and shall not be deemed an Independent Director for any purpose). In the event that Mr. Taylor departs from the Strategic Review Committee for any reason whatsoever, the Board shall appoint Mr. Michael Lovett to serve on the Strategic Review Committee in Mr. Taylor's place, unless Mr. Lovett is no longer a director of Globalstar, in which case the Board shall appoint an Independent Director to serve on the Strategic Review Committee in Mr. Taylor's place. The Strategic Review Committee shall require the affirmative vote of a majority of its authorized number of members (regardless of vacancies thereon) in order to take action at a meeting; *provided that*, (i) to the extent the Strategic Review Committee fails to obtain such vote on any particular matter of business before it, the Strategic Review Committee shall consult with the Board until such vote is obtained and (ii) in the event the Strategic Review Committee cannot obtain such vote for any single nominee for Minority Director, then the Strategic Review Committee shall nominate two (2) such nominees for each Minority Director seat subject to election, and the members of the Strategic Review Committee who are Minority Directors shall each have three votes with respect to one nominee for Minority Director and the members of the Strategic Review Committee who are not Minority Directors shall each have three votes with respect to the other nominee for Minority Director. For the avoidance

of doubt, pursuant to the immediately preceding sentence, the Strategic Review Committee may nominate and include on the annual or special meeting proxy card two candidates for a Minority Director seat.

THIRTEENTH

When the terms of this Certificate of Incorporation refer to a specific document or a decision by any body or person that determines the meaning or operation of a provision hereof, the Secretary of the Corporation shall maintain a copy of such document or decision at the Corporation's headquarters and a copy thereof shall be provided free of charge to any stockholder who makes a request therefor.

For purposes of this Certificate of Incorporation and the Bylaws of the Corporation, every reference to a majority or other proportion of stock with respect to establishing a quorum for meetings of stockholders or the requisite vote for stockholder approval (whether at a stockholder meeting or by written consent) shall be deemed to refer to such majority or other proportion, as applicable, of the votes entitled to be cast by the holders of such stock.

FOURTEENTH

This Certificate of Incorporation shall be effective upon filing with the Delaware Secretary of State.

* * *

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation which restates and integrates and further amends the provisions of the Certificate of Incorporation of this Corporation, and which has been duly adopted in accordance with Sections 228, 242, 245 of the Delaware General Corporation Law, has been executed by its duly authorized officer this 10th day of April, 2019.

GLOBALSTAR, INC.

By:

Name: Richard S. Roberts

Title: Secretary

STATE OF LOUISIANA

PARISH OF ST. TAMMANY

LEASE

TO BECOME EFFECTIVE

THE FIRST DAY OF FEBRUARY, 2019

BY AND BETWEEN

Thermo Covington, LLC
a Colorado limited liability company

(hereinafter called "Landlord"),
whose mailing address for all notices under this Lease is:

Thermo Covington, LLC
1735 19th Street, Suite 200
Denver, CO 80202

and

GLOBALSTAR, INC.,
a Delaware corporation

(hereinafter called "Tenant")
whose mailing address for all notices under this Lease is:

1351 Holiday Square Blvd.
Covington, LA 70433

WITNESSETH:

ARTICLE I

BASIC LEASE PROVISIONS; DEFINITIONS; ENUMERATION OF EXHIBITS

SECTION 1.01. Basic Lease Provisions and Certain Definitions.

(a) DATE: February 1, 2019

(b) LANDLORD: Thermo Covington, LLC, a Colorado limited liability company

(c) ADDRESS OF LANDLORD: 1735 19th Street, Suite 200, Denver, CO 80202

(d) TENANT: Globalstar, Inc., a Delaware corporation

(e) CURRENT ADDRESS OF TENANT AND OF LEASED PREMISES: 1351 Holiday Square Blvd, Covington, LA 70433

(f) PERMITTED USE (section 2.01): Tenant's Headquarters offices, including executive office, sales, engineering, storage and other related and legally permissible purposes.

(g) TENANT'S TRADE NAME (section 2.01): Globalstar

(h) GLOBALSTAR HEADQUARTERS (sections 2.01, 2.02): The three-storied Globalstar Headquarters building (also herein, "Globalstar HQ" or "Building") with an interior area of approximately 66,000 gross square feet, situated at 1351 Holiday Square Blvd., being Lot 10 of Versailles Business Park subdivision in the City of Covington, Parish of St. Tammany, State of Louisiana. The footprint of the Globalstar HQ is outlined in green on the attached "Exhibit A".

(i) LEASED PREMISES (section 2.01): The entire lot on which the Globalstar HQ is situated, as outlined in red on Exhibit A. As used in this Lease, the term "Leased Premises" includes the said lot, the Building, all improvements thereon as of the Commencement Date and also certain chattel property belonging to Landlord as listed in the attached "Exhibit B".

(j) LEASED FURNITURE: Landlord's personal, i.e. chattel, property which is listed on Exhibit B and is included in the comprehensive term "Leased Premises." This property may be referred to in the Lease as "Leased Furniture" regardless of whether certain items so listed would, according to customary usage, be considered to be "furniture." "Leased Furniture" does not include furniture, fixtures, and movable items purchased by Tenant and not listed on Exhibit B.

(k) LEASE TERM AND COMMENCEMENT DATE (section 2.05): The initial “Lease Term” shall be a period of ten (10) years commencing February 1, 2019 and terminating at midnight on January 31, 2029 (each such consecutive twelve month period hereinafter a “Lease Year”) Thereafter, the Lease Term shall renew without notice for up to two (2) consecutive renewal terms of five (5) Lease Years at Basic Rent determined in accordance with section 3.01(a) unless written notice of non-renewal is given by Landlord or Tenant to the other not less than six (6) months before the expiration date of the then-current term. Tenant shall commence to pay rent on and be entitled to possession on February 1, 2019 (“Commencement Date”).

(l) BASIC RENT (section 3.01. (a): Tenant shall pay Landlord as Basic Rent for the entire Leased Premises, the sum of One Million, Four Hundred Thirty-two Thousand and No/100 Dollars (\$1,432,000.00) per year, with each Lease Year sum being adjusted annually beginning on February 1, 2020 in accordance with section 3.01(a). Annual Basic Rent shall be paid in advance on or before the first day of each month in twelve equal monthly installments of (for example and with respect to the first Lease Year) by Federal Reserve wire transfer to an account designated from time to time by Landlord.

(m) OPERATING COSTS (Articles V, VI): Are a tenant obligation.

(n) REAL ESTATE AND PERSONAL PROPERTY TAXES (Article X): Are a Tenant obligation

(o) INSURANCE EXPENSES (Article VIII): Are a Tenant obligation:

(p) ADDRESS FOR ADDITIONAL RENT PAYMENTS: 1735 19th Street, Suite 200, Denver, CO 80202, or as elsewhere specified by Landlord from time to time.

SECTION 1.02. Significance of Basic Lease Provisions.

Each reference in this document, including without limitation its exhibits, to any of the Basic Lease Provisions listed in this section 1.01 shall be deemed and construed to incorporate all of the terms and conditions of the section in which such reference appears. The Basic Lease Provisions shall be construed in connection with and limited by all such references.

SECTION 1.03. Enumeration of Exhibits.

The exhibits enumerated in this section and attached to this Lease are incorporated in this Lease by this reference and are to be construed as part of this Lease.

Exhibit A Leased Premises and Building footprints
Exhibit B List of Leased Furniture
Exhibit C Acceptance of Leased Premises

ARTICLE II

DEMISE OF LEASED PREMISES; HAZARDOUS SUBSTANCES

SECTION 2.01. Description and General Obligations.

Landlord owns the land shown on Exhibit A, together with the existing building (hereinafter the "Building" or the "Globalstar Headquarters" a/k/a "Globalstar HQ") and other improvements thereon, and together with certain Leased Furniture hereinabove defined, all of which collectively constitute the "Leased Premises." In consideration of the rents, covenants and agreements reserved and contained in this Lease, Landlord hereby leases and demises the Leased Premises to Tenant, and Tenant hereby rents and accepts the Leased Premises for the purpose of locating Tenant's business headquarters thereto and conducting Tenant's business operations thereon ("Tenant's Permitted Use") in accordance with and subject to: the terms and conditions contained in this Lease; all encumbrances, easements, restrictions of record currently affecting the Leased Premises; and such laws, zoning ordinances, and other governmental regulations of any nature that may from time to time apply to or affect the Leased Premises. The location of the Leased Premises is outlined in red on the Site Plan attached hereto as Exhibit A.

The Leased Premises shall include only the appurtenances specifically granted in this Lease. Landlord specifically excepts and reserves for itself, the air space more than ten (10) feet above the roof of the Building, and the subterranean space more than ten (10) feet below existing utilities serving, the Building.

SECTION 2.02. Use of Open Space.

The use and occupation by the Tenant of the Leased Premises shall include rights running with the term of this Lease to use the unreserved space described in section 2.01 as "Open Space" and otherwise as provided herein in connection with operation of the Globalstar HQ. Tenant may establish, and may modify from time to time, rules and regulations for use by Tenant's employees and invitees of the Leased Premises, including the Open Space. Subject to Landlord's prior written approval, which shall not be unreasonably withheld or delayed, Tenant may from time to time, at Tenant's expense, relocate the automobile parking areas within the Open Space and construct other buildings or improvements meeting prevailing usage and construction requirements in the

Open Space, including without limitation constructing double-deck or elevated parking facilities satisfactory for Tenant's needs.

SECTION 2.03. Occupancy/Possession.

(a) Landlord and Tenant hereby agree that Tenant's taking possession of the Leased Premises shall be deemed conclusive evidence of Tenant's acceptance of the Leased Premises in satisfactory condition and in full compliance with all covenants and obligations of Landlord in connection therewith. Except as expressly set forth and signed for by the parties on Exhibit C, Tenant agrees that it has accepted possession of the Leased Premises in an "as is" condition and that no representations or inducements respecting the condition of the Leased Premises have been made to Tenant by Landlord or its authorized representatives. Similarly, Tenant hereby acknowledges that no promises to decorate, alter, repair, or improve the Leased Premises have been made by Landlord or its authorized representatives.

(b) Tenant shall have the right to, and may from time to time make at Tenant's sole expense, improvements and other changes to the interior or exterior of the Building, and to install such stock, trade fixtures and equipment and perform such other work as shall be necessary or appropriate in order to adapt the Leased Premises to Tenant's permitted uses under this Lease. Before commencing any such work which is material to the Leased Premises, Tenant shall give reasonable prior written notice to Landlord specifying the nature, scope, anticipated constructed methods, and approximate cost of the proposed work. Upon giving notice, Tenant shall also submit reasonably detailed plans and/or specifications for the proposed work. The prior notice period shall be sufficient, depending on the above-mentioned characteristics of the proposed work, to allow Landlord and such experts and consultants as Landlord may engage to assist it, to evaluate the proposed work and to require any changes to the work that Landlord deems necessary, in Landlord's discretion reasonably exercised, to avert resulting diminution in value of the Leased Premises. Tenant shall promptly pay all reasonable costs incurred directly and indirectly by Landlord to conduct such evaluations and to specify necessary changes in Tenant's proposed work.

SECTION 2.04. Hazardous Substances.

At all times during Tenant's occupancy:

(a) Tenant shall neither generate, treat, store, or dispose of, nor permit others to do the same, any Hazardous Substances on or near the Leased Premises. In the event Tenant uses any substances that would constitute Hazardous Substances if used in excessive amounts, Tenant shall dispose of such substances in accordance with all applicable Federal, state and local laws, regulations and ordinances. For purposes of this Lease, "Hazardous Substance" means a material quantity (which may vary from substance to substance) of any solid, liquid, or gas that can harm people, other living organisms, or the environment. Without limitation, Hazardous Substances include all substances that, at the time of use or discovery, are regulated by the United States Occupational Safety and Health Administration, and any successor or similar governmental agencies having jurisdiction or authority over the Leased Premises.

(b) Tenant agrees to notify Landlord promptly of any disposal of Hazardous Substances on or near the Leased Premises, of any discovery of Hazardous Substances on or near the Leased Premises, or of any notice by a governmental authority or private party alleging or suggesting that a disposal of Hazardous Substances on or near the Leased Premises may have occurred. Furthermore, Tenant agrees to provide Landlord with full and complete access to any documents or information in Tenant's possession or control relevant to the question of the generation, treatment, storage, or disposal of Hazardous Substances on or near the Leased Premises.

(c) Tenant hereby releases, to the fullest extent permissible by law, and agrees to indemnify, defend and hold harmless, Landlord and Landlord's employees, agents, and their successors and assigns, from and against any and all damage, claim, liability, or loss, including reasonable attorneys' and other fees, arising out of or in any way connected to the generation, treatment, storage or disposal of Hazardous Substances existing on or near the Leased Premises at any time, and for any reason. Such duty of indemnification shall include, but not be limited to damage, liability, or loss pursuant to all Federal, state and local environmental laws, rules and ordinances, strict liability and common law. Nothing in this section 2.04(c) shall be deemed to impair or diminish any other release of, or rights of indemnification extended to Landlord and Landlord's employees, agents, and their successors and assigns conferred elsewhere under this Lease.

ARTICLE III

RENT

SECTION 3.01. Basic Rent.

(a) During the entire Lease Term (including all renewals occurring in accordance with section 1.01(n)), Tenant covenants and agrees to pay to Landlord, in lawful money of the United States, without any prior demand and without any deduction or setoff whatsoever, the Basic Rent as provided in section 1.01(o); *provided, however*, that Basic Rent will be increased annually on the anniversary of the Commencement Date at the rate of 2.5%, compounded.

(b) Tenant shall pay Basic Rent monthly in advance in collected funds by Federal Reserve wire transfer to an account designated from time to time by Landlord on or before on the first day of each calendar month during the Lease Term hereof, except that the first monthly installment shall be paid on or before the Commencement Date. Basic Rent for any partial calendar month during the Lease Term shall be prorated on a per diem basis.

SECTION 3.02. Late Charge.

Tenant acknowledges that late payment by Tenant to Landlord of Rent and other sums becoming due hereunder may cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not

limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any mortgage or deed of trust then covering the Premises. Accordingly, if any installment of Basic Rent due from Tenant shall not be received by Landlord or Landlord's designee within five days after such amount shall be due, Tenant shall pay to Landlord a late charge equal to One Thousand and No/100 Dollars (\$1,000.00) per day for each day that any overdue amount remains outstanding. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord may incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord, together with the overdue amount shall not constitute a waiver of Tenant's default with respect to such overdue amount. Any overdue Additional Rent and other payments due from Tenant under this Lease and not paid when due shall bear interest at the rate provided in section 11.03 below.

SECTION 3.03. Additional Rent.

In addition to payment to Landlord of Basic Rent as provided in sections 3.01 and 3.02, commencing on the Commencement Date, and thereafter not later than on the due date thereof throughout the entire Lease Term, Tenant shall bear or pay to all third parties (including without limitation governmental entities), as "Additional Rent," all expenses relating the Leased Premises incurred by Landlord, by Tenant, and by subtenants. It is the intention of the Landlord and Tenant that this Lease be a one hundred percent (100%) "carefree" lease such that Landlord shall not be responsible for any costs of owning, maintaining and operating the Leased Premises whatsoever (excepting only Landlord's corporate franchise taxes and income taxes incurred by Landlord from receipt of Basic Rent), and if any such costs are incurred by Landlord, Tenant shall be obligated to pay to, or reimburse, Landlord for all of such costs as Additional Rent Without limitation, the components of Additional Rent, whether paid by Landlord and reimbursed by Tenant or paid directly by Tenant, include but are not limited the general subjects addressed in subsections (m), (n), and (o) of section 1.01, above.

SECTION 3.04. Definition of "Rent"; Manner of Payment.

(a) As used in this Lease, the term "Rent" when used alone shall mean Basic Rent, Additional Rent, and any and all other sums, however designated, required to be paid, reimbursed, or absorbed by Tenant under this Lease, whether to Landlord or third parties. Basic Rent shall be paid to Landlord as and when such amounts are due, without necessity of Landlord providing Tenant with statements or invoices. Basic Rent shall be paid in the manner provided in section 3.01(b) above. Additional Rent for applicable expenses incurred by Landlord in discharging Tenant's responsibilities under this Lease shall be due and payable to Landlord not later than five (5) days before the date payment becomes due from Landlord to the applicable third party, and under no circumstances later than three (3) days after demand for payment by Landlord. Any late fees, service charges and interest imposed by the payees of Additional Rent whenever any Tenant obligation under this Lease is paid by Landlord on Tenant's behalf shall be added to Additional Rent and reimbursed paid by Federal Wire transfer in the manner set forth in section 3.01(b) above, or by corporate check if the latter is acceptable to Landlord.

(b) Material Events of non-payment by Tenant of Additional Rent to third parties shall be a default under this Lease, and Landlord shall have all the rights and remedies with respect thereto as Landlord has for non-payment of Basic Rent. The obligations of Tenant under this Article III shall survive the expiration or other termination of this Lease.

(c) All Rent required to be paid to Landlord shall be delivered at the address of Landlord as specified in sections 1.01(c) and 1.01(l) or such other place as Landlord may from time to time designate in writing. It shall be Tenant's responsibility to ensure that all Rent payments are delivered to the designated address by not later than the specified deadline and Landlord shall not be responsible for any delays in delivery of payments by mail or otherwise.

(d) Notice is hereby given to Tenant that the acceptance of partial rent by Landlord shall not constitute a waiver by Landlord of any rights, including without limitation the right of Landlord to recover possession of the Premises in the manner provided under the laws of the State of Louisiana.

ARTICLE IV

ALTERATIONS, ADDITIONS, AND TENANT IMPROVEMENTS

SECTION 4.01. Tenant Responsibilities.

(a) Subject to all limitations in Article II and this Article IV, Tenant shall have the right to, and may from time to time at Tenant's sole expense, make improvements and other changes to the interior and exterior of the Building located on the Leased Premises and install such stock building fixtures and equipment and perform such other work as shall be necessary or appropriate in order to adapt the Leased Premises to Tenant's permitted uses under this Lease. To the extent that any such work is a material alteration, before commencing any such work Tenant shall give reasonable prior written notice to Landlord specifying the nature, scope, anticipated constructed methods, and approximate cost of the proposed work. If requested by Landlord, Tenant shall also submit to Landlord for review plans and/or specifications for the work prepared to such detail as Tenant shall reasonably request. The prior notice period shall be sufficient, depending on the above-mentioned characteristics of the proposed work, to afford Landlord and such experts and consultants as Landlord may engage to assist it sufficient time to evaluate the proposed work, and to require any changes to the work that Landlord deems necessary, in Landlord's discretion reasonably exercised, to avert resulting diminution in value of the Leased Premises. Tenant shall promptly pay, as additional Rent, all reasonable costs incurred directly and indirectly by Landlord to conduct such evaluations and to specify necessary changes in Tenant's proposed work.

(b) Notwithstanding the extension of consent in this section 4.01(a), above, all work with respect to any alteration of the Building, whether or not requiring Landlord's prior consent, shall be done in accordance with plans and specifications prepared by Tenant at Tenant's expense and submitted to Landlord in a timely manner before commencement of the work for Landlord's

comment and approval. Landlord's approval of Tenant's plans and specifications shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency or compliance with governmental laws, rules or regulations. All such work shall be executed by competent, licensed contractors in a good and workmanlike manner, shall be under the supervision of a competent architect or competent licensed structural engineer, and shall be made in accordance with all applicable laws, ordinances, codes, and regulations related thereto. Tenant releases Landlord from, and agrees to hold Landlord harmless from any liability arising out of any work performed to alter or modify the Leased Premises pursuant to this section 4.01(b).

(c) Tenant shall give Landlord reasonable notice of all material tenant improvements to be constructed and installed by Tenant in or upon the Leased Premises. All such material work shall be constructed and installed by Tenant at Tenant's sole cost and expense only after receiving Landlord's consent, which consent shall not be unreasonably withheld. Tenant shall be solely responsible for any and all planning, demolition, and construction of all such work. Landlord shall decline to approve any modifications or improvements that would change or affect in any manner the structural elements or structural integrity of the Building. Tenant shall be responsible for, and shall release, indemnify, and hold Landlord harmless for any liability or expense arising out of damage to the Building.

(d) All alterations and modifications of the Leased Premises (including Leased Furniture, but except moveable equipment and trade fixtures owned by Tenant), whether or not the same are affixed to the building structure, shall at once become a part of the Leased Premises and belong to Landlord. Tenant shall retain title to all moveable equipment and to trade fixtures placed in or upon the Leased Premises by Tenant. All affixed heating, lighting, electrical, and air conditioning equipment, affixed floor to ceiling partitioning, carpeting, and floor installations made by Tenant, together with all other property that becomes a part of or is affixed to the Premises, shall become part of the Leased Premises and shall not be deemed trade fixtures. Tenant may, at Tenant's election, elect to remove any of Tenant's non-affixed equipment and trade fixtures, whether installed before or after the Commencement Date, and upon Landlord's request shall do so at the expiration or earlier termination of this Lease.

(e) Nothing in this Article IV shall be construed to limit Tenant in reconfiguring non-structural, movable interior partitions, doors, and lighting fixtures, or in redecorating the interior of the existing Building without first notifying Landlord and obtaining Landlord's prior written consent. All such work shall be performed at Tenant's sole cost and expense, without damage to structural elements of the Building. In connection with such work, Tenant shall release and indemnify Landlord to the same extent as provided in section 4.01(c), above.

ARTICLE V

UTILITIES

SECTION 5.01. Tenant Responsibilities.

Tenant shall make application for, obtain, pay for in a timely manner, and be solely responsible for all utilities required, used or consumed in the Leased Premises, including, but not limited to, gas, water (including water for domestic uses and for fire protection), telephone, electricity, sewer service, garbage collection services, HVAC maintenance services, or any similar service (herein sometimes collectively referred to as the "Utility Services"). In the event that any charge for any utility supplied to the Leased Premises is not paid by Tenant to the utility supplier when due, then Landlord may, but shall not be required to, pay such charge for and on behalf of Tenant, and any such amount paid by Landlord on Tenant's behalf shall be reimbursed promptly to Landlord as Additional Rent, upon demand. Landlord and Tenant hereby agree that Landlord shall not be liable for any interruptions or curtailment in utility services due to any causes whatsoever, including without limitation Landlord's alteration, repair or improvement of the Leased Premises.

SECTION 5.02. Utility Deregulation.

Landlord and Tenant acknowledge that presently CLECO is mutually satisfactory electric service provider furnishing electricity service for the Leased Premises. Notwithstanding the foregoing, if permitted by Law, Tenant shall have the right at any time and from time to time during the Lease Term to contract for service from a different company or companies providing electricity service. Landlord shall cooperate with Tenant should Tenant desire to change any then-current electric services provider. Tenant shall be solely responsible for any costs and expenses of all such service changes. Tenant releases and shall indemnify and hold Landlord harmless from any liability, costs, or expenses arising out of such changes of electric service provider.

ARTICLE VI

INSTALLATION, MAINTENANCE, OPERATION AND REPAIR

SECTION 6.01. Tenant's Required Maintenance and Repair.

Tenant shall, at Tenant's sole expense, at all times keep the Leased Premises, including without limitation the foundations, structural elements, and roof of the Building, its exterior entrances and doors, interior entrances and doors, door frames, walls, floors, windows, glass, plate glass and signage, all partitions, door fixtures, equipment and appurtenances thereof, lighting, heating and plumbing fixtures, sewerage facilities, fixtures, and drains in good order, condition, and repair, clean, sanitary, and safe, maintaining and replacing any and all of the foregoing and all other parts, components, and devices in or about the Building whenever necessary to maintain the Building as a first class corporate office building. Tenant shall decorate and refinish the interior and exterior of the Building when necessary to maintain at all times a well maintained and presentable appearance. Tenant shall at all times maintain and repair the parking areas (covered and open), walkways, and lawn and all other exterior areas of the Leased Premises to the same high standards as the Building. In the event Tenant fails to perform any of its obligations as required in this section 6.01, Landlord may, but shall not be required to, perform and satisfy same,

and Tenant shall promptly reimburse Landlord for the cost thereof, as Additional Rent, upon demand. All such work shall be performed in a good and workmanlike manner.

SECTION 6.02. Maintenance and Repair Required by Third Parties.

If at any time lawful public authorities, insurance underwriters, inspection rating bureaus, or insurance inspectors designated by Landlord or by Tenant should require or recommend additions, improvements, alterations, and repairs to or on the Leased Premises, including without limitation all modifications to any alarm or fire sprinkler system located within the Leased Premises, Tenant shall at Tenant's sole expense, make such additions, improvements, alterations, and repairs to the reasonable satisfaction of the requiring or recommending agency. All such work shall be performed in a good and workmanlike manner.

SECTION 6.03. Signs, Awnings, and Canopies.

Tenant may from time to time at Tenant's sole expense place, alter, and remove exterior signage on the Leased Premises and the Building, provided that the same shall at all times comply with local ordinances and regulations. Tenant shall maintain such signage in good condition and repair at all times. At the termination of the Lease, Tenant shall at its sole expense remove its signage, interior and exterior. Upon the removal of its signage, Tenant shall also remove the transformer and wiring on the inside as well as outside of the fascia. All power to any exterior signage shall be terminated prior to removal.

SECTION 6.04. Liens.

(a) Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished or obligation incurred by Tenant. In the event that Tenant shall not, within ten (10) days following the imposition of such lien, cause the same to be released of record, by bond or otherwise, Landlord shall have, in addition to all other remedies provided herein and by law, the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including payment of the claim giving rise to such lien. All sums paid by Landlord for such purpose, and all expenses incurred by it in connection therewith, shall be payable to Landlord by Tenant on demand as Additional Rent.

(b) The preceding paragraph notwithstanding, Tenant shall have the right to contest, in good faith and by appropriate legal proceedings, the validity or amount of any mechanics', laborers' or materialmen's lien or other claimed lien. In the event of such contest, Tenant shall give to Landlord security as may be reasonably required by Landlord to ensure payment thereof and to prevent any sale, foreclosure or forfeiture of the Leased Premises or any part thereof by reason of such non-payment. On final determination of such lien or such claim for lien, Tenant will immediately pay any judgement rendered, with all proper costs and charges, and shall have such lien released or judgement satisfied at Tenant's expense, and upon such payment and release of satisfaction, Landlord will promptly return to Tenant such security as Landlord shall have received in connection with such contest. Landlord reserves the right to enter the Leased Premises to post and keep posted notices of non-responsibility for any such lien. Tenant will indemnify and hold

harmless Landlord from and against all liabilities, losses, claims, damages, costs and expenses incurred by Landlord by reason of the filing of any lien and/or the removal of same.

SECTION 6.05. Surrender of Leased Premises.

At the termination of this Lease, Tenant shall surrender the Leased Premises in the same condition (subject to the removals as required in this Lease) as the Leased Premises were on the date the Tenant opened the Leased Premises for business to the public, reasonable wear and tear and loss due to insured casualty excepted, and shall surrender all keys for the Leased Premises to Landlord at the place then fixed for the payment of rent, and shall inform Landlord of all combinations on locks, safes and vaults, if any, in the Leased Premises. Tenant during the last thirty (30) days of such term shall remove all its trade fixtures, and, to the extent required by Landlord by written notice, any other installation, alterations or improvements before surrendering the Leased Premises as aforesaid and shall repair any damage to the Leased Premises caused thereby. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of the Lease Term.

ARTICLE VII

OPERATIONS, RULES, AND REGULATIONS

SECTION 7.01. Tenant to Provide All Management and Services.

Tenant shall, at Tenant's expense, provide all services and management necessary or desirable for conducting Tenant's business on the Leased Premises. Under no circumstances shall Landlord be required to provide any such management or services of any nature whatsoever.

SECTION 7.02. Rules and Regulations.

(a) Tenant shall prescribe and update from time to time plans and procedures to protect from fire, natural disasters, and criminal threats, including terrorism, the health and safety of Tenant's personnel and any invitees and licensees on the Leased Premises. Landlord shall have the right, but not the duty, to view such plans and procedures upon request. Tenant shall provide adequate training for implementation of Tenant's safety to all potential users of them.

(b) Tenant may prescribe, and if so shall update from time to time reasonable regulations, and other plans and procedures for use and operation of the Leased Premises as Tenant shall deem necessary or desirable for conducting its business on the Leased Premises. Landlord shall observe such of these rules, regulations, plans, and procedures as Tenant makes known to Landlord.

ARTICLE VIII

INSURANCE, INDEMNIFICATION AND EXCULPATION

SECTION 8.01. Tenant's Insurance.

(a) **Liability and Fire Insurance.** Tenant, at Tenant's expense, shall obtain and keep in force, with coverage effective March 1, 2019 and continuing during the initial Term (including all renewals) of this Lease:

(1) A policy of commercial general liability insurance against any and all claims for personal injury, death, property damage, or other liabilities related to the condition, use or occupancy of the Leased Premises or to Tenant's operations on the Leased Premises, including an extended liability endorsement providing contractual liability and broad form property damage coverage. Such insurance shall also contain a cross-liability clause. Notwithstanding such cross-liability clause, Tenant's obligations pursuant to the indemnity set forth in section 8.03 shall not be limited to the amount of any insurance required of, or otherwise carried by, Tenant. Such liability insurance shall be written with limits of not less than One Million and No/100 Dollars (\$1,000,000.00) per occurrence and Two Million and No/100 Dollars (\$2,000,000.00) annual aggregate.

(2) Tenant shall also obtain and keep in force, during the same period as commercial general liability insurance, excess liability insurance with limits of not less than Twenty Million and No/100 Dollars (\$20,000,000.00).

(3) Tenant shall also obtain and keep in force, during the same period as the above policies, one or more policies of fire and extended coverage insurance insuring the Building and Tenant's and Landlord's other insurable property on the Leased Premises against perils of fire, lightning, windstorm, explosion, smoke damage, vehicle damage, and sprinkler leakage in an amount equal to one hundred percent (100%) of the full replacement cost thereof, and naming Tenant and Landlord as additional insureds as their respective interests may appear.

Certificates evidencing the above insurance shall be furnished to Landlord on or before the effective dates of the respective coverages. The policy or policies affecting such insurance shall be primary and shall name Landlord, and the beneficiary or mortgagee of any deed of trust or mortgage affecting the Leased Premises as additional insured, and shall insure any liability of Landlord, contingent or otherwise, with respect to any act or omission of Tenant, its agents, employees or invitees or otherwise; shall be issued by an insurance company admitted and licensed to transact business in the State of Louisiana having a rating of A or better in "Best's Insurance Guide"; and shall provide that the insurance effected thereby shall not be canceled,

except upon thirty (30) days' prior written notice to Landlord. Said liability insurance shall be primary and not contributing to any insurance available to Landlord, and Landlord's insurance shall be in excess thereto. If, during the Lease Term, in the considered opinion of Landlord's lender or insurance advisor, the amount of insurance described in this section 8.03 is not adequate, Tenant agrees to increase said coverage to such reasonable amount as Landlord's lender or insurance advisor shall deem adequate.

(b) Personal Property Insurance and Workers' Compensation. Tenant shall maintain a policy or policies of fire and property damage insurance in "special perils" form with a sprinkler leakage endorsement insuring the Landlord's Furniture and Tenant's personal property wherever located in the Building or on the Open Areas, inventory, trade fixtures, and any improvements, additions or Alterations made by or on behalf of Tenant within or outside of the Building or Leased Premises for the full replacement value thereof and not subject to a co-insurance clause. The proceeds from any of such policies shall be delivered to the respective property owners and may be applied to the repair or replacement of such items so insured. Tenant shall also maintain a policy or policies of workers' compensation insurance and any other employee benefit insurance sufficient to comply with all laws.

SECTION 8.02. Landlord's Insurance; Waivers of Subrogation.

Other Property Insurance. Should Landlord be of the reasonable opinion that Tenant's insurance limits in section 8.01 are less than full replacement, Landlord may purchase and keep in force, a policy or policies of casualty insurance covering loss or damage to the Leased Premises, including the Building and related Open Area improvements, providing protection against those perils generally covered by "All Risk" insurance, and including such other casualty endorsements as Landlord may elect. Landlord may, but shall not be required to (unless required by Landlord's lender) maintain casualty insurance covering any improvements, additions, or alterations made by or on behalf of Tenant within or outside of the Building or elsewhere on the Leased Premises. Landlord shall not be required to carry casualty insurance covering Tenant's personal property or trade fixtures. Landlord may also maintain at Landlord's election, or if required by Landlord's lender from time to time, earthquake and/or flood damage insurance, workers' compensation insurance, vandalism and malicious mischief insurance, sprinkler leakage insurance and rental income insurance. If the cost of Landlord's existing insurance is increased due to Tenant's use of the Leased Premises, Tenant agrees to pay to Landlord the full cost of such increase as Additional Rent. Tenant shall have no interest in nor any right to the proceeds of any insurance procured by Landlord as described in this section 8.02.

(b) Mutual Waivers of Subrogation. Notwithstanding anything to the contrary in this Lease, each party hereby releases the other party, and its partners, officers, agents, employees, and servants, from any and all claims, demands, loss, expense, or injury to the Leased Premises or to the furnishings, fixtures, equipment, inventory, or other property in, about, or upon the Leased Premises, which is caused by or results from perils, events, or happenings which are the subject of fire or other casualty insurance in force at the time of such loss (or which would have been in force had the parties carried the insurance required hereunder) irrespective of any negligence on the part of the released party which may have contributed to or caused such loss; *provided, however,*

that: (i) the party being released shall not be released from any liability to the extent that such damages are not covered by the insurance recovery obtained by the releasing party (or which would have been obtained had the releasing party carried the insurance required of it by this Lease), and (ii) the party being released shall be responsible for reimbursing the releasing party for any commercially reasonable deductible owed as a result of such damages. (Landlord represents to Tenant that as of the date of this Lease, Landlord's applicable deductible is Five Thousand and No/11 Dollars (\$5,000.00). Each party shall use commercially reasonable efforts to obtain, if needed, appropriate endorsements to its policies of insurance with respect to the foregoing releases; *provided, however*, that failure to obtain such endorsements shall not affect the releases hereinabove given.

SECTION 8.03. Indemnification and Exculpation.

(a) Indemnification by Tenant. Except as otherwise expressly prohibited by law, Tenant shall, at its sole cost and expense, indemnify, protect, defend (with counsel reasonably acceptable to Landlord) and hold harmless Landlord, its partners, shareholders, officers, directors, attorneys, agents, beneficiaries, employees, affiliates, invitees, contractors, and related entities (collectively, "Landlord's Related Parties") from and against all liabilities, obligations, damages, penalties, claims, costs, charges and expenses, including reasonable attorneys' fees, which may arise in any manner due to injury, death or property loss caused by, arising out of or in connection with (i) Tenant's use or occupancy of the Leased Premises; (ii) the conduct of Tenant's business; (iii) any negligent or willful act of Tenant or Tenant's Related Parties; (iv) any occurrence in, upon or at the Leased Premises from any cause whatsoever, and/or (v) any breach by Tenant under this Lease; *provided, however*, Tenant shall have no obligation to defend or indemnify Landlord from claims which are caused by the willful misconduct or gross negligence of Landlord or Landlord's Related Parties. This indemnity shall survive the expiration or earlier termination of this Lease.

(b) Exemption of Landlord from Liability. Landlord and Landlord's Related Parties shall not be liable for, and Tenant waives, all claims for loss or damage to Tenant's business (including consequential damages) or damage or injury to person or property sustained by Tenant or any person claiming by, through, or under Tenant, resulting from any accident or occurrence in, on or about the Leased Premises, or any other part of the Complex, including without limitation claims for loss, theft or damage resulting from: (i) any Leased Furniture or other equipment or appurtenances being in disrepair; (ii) injury done or occasioned by wind or weather; (iii) any defect, structural or otherwise in the Building and other improvements on or in the Leased Premises; (iv) any failure to operate, for whatever reason, any Leased Furniture or other equipment or facilities in or about the Building; (v) broken glass; (vi) any act, omission, or negligence of other users or occupants of the Building, any of Landlord's employees, or the public; or (vii) any other cause of any nature. To the maximum extent permitted by law, Tenant agrees to use and occupy the Leased Premises and the Furniture at Tenant's own risk.

SECTION 14.02. Notices by Tenant.

To enable Landlord to notify Landlord's insurance carriers of occurrences in a timely manner, Tenant shall give prompt written notice to Landlord in the event of fire, casualty, or

accidents on or in the vicinity of the Leased Premises, or in the Building of defects therein or in any fixtures or equipment and shall promptly thereafter confirm such notice by telephonic follow-up.

ARTICLE IX

TAXES

SECTION 9.01. Taxes.

(a) Taxes Payable by Landlord. Tenant shall pay in a timely manner, as Additional Rent: (i) any and all Real Property Taxes (defined below), (ii) personal property taxes on Leased Furniture, and other taxes of any nature levied or imposed against the Leased Premises or in Tenant's trade fixtures and Tenant's personal property from time to time situated on the Leased Premises.

(b) Definition of Real Property Taxes. The term "Real Property Taxes" as used in this Lease shall include any form of real estate tax or assessment, (whether general, special, ordinary or extraordinary, or foreseen or unforeseen), possessory interest tax, license fee, commercial rental tax, business tax, improvement bond or assessment, *excepting, however*, income, estate or franchise taxes payable by Landlord, and any increase in or addition thereto, imposed or assessed on the Leased Property or any legal or equitable interest of Landlord or Tenant therein during the Lease Term. At the request of either party, Landlord and Tenant will cooperate in contesting, in the manner provided by law, the amount or validity of any Real Property Taxes, and the amount reimbursable to Landlord under this section 9.01 shall include the cost to Landlord of such contest. Any refund of a Real Property Tax following such contest shall be attributable to the year in which such tax was included in Real Property Taxes hereunder.

(c) Time of Payment: Tenant shall pay taxes as provided in this section 9.01 ten (10) or more days before the same become delinquent. If any such taxes that Landlord believes should be attributable to Tenant's personal property or trade fixtures are levied against Landlord or the Building, or if the assessed value of the Leased Premises is increased by the inclusion therein of a value placed upon such personal property or trade fixtures of Tenant, Landlord shall have the right to contest the attribution of such taxes and Tenant will cooperate with Landlord in such contests and pay the full cost thereof.

ARTICLE X

FIRE AND CONDEMNATION

SECTION 10.01. Fire, Explosion, or Other Casualty.

In the event the Leased Premises or the Leased Furniture should be damaged by fire, explosion or any other casualty to an extent which is less than seventy percent (70%) of the estimated cost of replacement thereof, the damage, except as provided in section 10.02, shall promptly be repaired by Tenant at Tenant's expense, provided that Tenant shall not be obligated to expend for such repair an amount in excess of the insurance proceeds recovered or recoverable as a result of such damage. If, in the event of any such damage, Tenant is not required to repair as hereinabove provided, Tenant may elect either to repair and replace the Leased Premises, or to terminate this Lease upon giving notice of such election in writing to Landlord within ninety (90) days after the occurrence of the event causing the damage. In either event, regardless of untenability, Rent shall not abate during decision making and subsequent repair and restoration, or until termination shall have been affected. Tenant may elect to obtain, at Tenant's sole cost and expense, commercial business interruption insurance to provide financial protection against risks of damage to the Leased Premises and Leased Furniture.

SECTION 10.02. Condemnation.

If the whole of the Leased Premises, or so much thereof as to render the balance unusable by Tenant, shall be taken under power of eminent domain, or otherwise transferred in lieu thereof, or if any part of the Globalstar HQ is taken and its continued operation is not, in Tenant's sole opinion, reasonably arrived at, economically viable, this Lease shall automatically terminate as of the date possession is taken by the condemning authority. No award for any total or partial taking shall be apportioned, and Tenant hereby unconditionally assigns to Landlord any award which may be made in such taking or condemnation. In the event of a partial taking which does not result in the termination of this Lease, Rent shall be reduced according to the value of the Leased Premises remaining usable by Tenant. If the parties are unable to agree on the reduction within three (3) months after the month in which the casualty occurs, either party may terminate the Lease by written notice to the other.

SECTION 10.03. Condemnation Award.

All compensation awarded or paid for any taking or acquiring under the power or threat of eminent domain, whether for the whole or a part of the Leased Premises or Globalstar HQ, shall be the property of Landlord, whether such damages shall be awarded as compensation for diminution in the value of the leasehold or to the fee of the Leased Premises or otherwise, and Tenant hereby assigns to Landlord all of the Tenant's right, title and interest in and to any and all such compensation; *provided, however*, that Landlord shall not be entitled to any award specifically made to Tenant for the taking of Tenant's trade fixtures or leasehold improvements to

the extent of the cost to Tenant of said improvements (exclusive of Landlord's contribution), less depreciation computed from the date of said improvements to the expiration of the original term of this lease.

ARTICLE XI

DEFAULT AND REMEDIES

SECTION 11.01. Tenant Default and Breach.

In the event that Tenant: (a) fails to pay all or any portion of any sum due from Tenant hereunder within five (5) business days following Landlord giving of written notice; (b) fails to cease all conduct prohibited by this Lease or by law immediately upon receipt of written notice from Landlord; (c) fails to take actions in accordance with the provisions of written notice from Landlord to remedy Tenant's failure to perform any of the terms, covenants and conditions hereof; (d) commits an act in violation of this Lease which Landlord has previously notified Tenant to cease more than once in any rolling twelve (12) month period; (e) becomes bankrupt, insolvent or files any debtor proceeding, takes or has taken against Tenant any petition of bankruptcy; takes action or has action taken against Tenant for the appointment of a receiver for all or a portion of Tenant's assets, files a petition for a corporate reorganization; makes an assignment for the benefit of creditors, or in any other manner Tenant's interest hereunder shall pass to another by operation of law; (f) commits waste to the Leased Premises; or (g) is otherwise in default of Tenant's obligations hereunder and shall not have cured the default within ten (10) business days following receipt of written notice from Landlord; then, in the event of any such event (a) through (g), Tenant shall be in breach of this Lease. In the event of a Tenant default that remains uncured at the time of Landlord taking action, Landlord may, at its option and without further notice to Tenant: (1) terminate Tenant's right to possession of the Leased Premises and without terminating this Lease re-enter and take possession of the Leased Premises and/or (2) declare this Lease terminated, and thereupon in either event may remove all persons and property from the Leased Premises, with or without resort to process of any court, either by force or otherwise, or (3) declare the rent for the whole then-current term of this Lease at once due and payable and thus at once demand and sue for the entire rent for the whole term. Tenant waives the service of any Notice to Vacate. Notwithstanding any such re-entry by Landlord, Tenant hereby indemnifies and holds Landlord harmless from any and all loss or damage which Tenant may incur by reason of the termination of this Lease and/or Tenant's right to possession hereunder. In no event shall Landlord's termination of this Lease and/or Tenant's right to possession of the leased Premises abrogate, or to any extent impair, Tenant's obligation to pay Rent (and Additional Rent) then due or becoming due hereunder for the full then-current term hereof. Following re-entry of the Leased Premises by Landlord, Tenant shall continue to pay all such rent and additional charges as same become due under the terms of this Lease, together with all other expenses incurred by Landlord in regaining possession until such time, if any, as Landlord relets same and the Leased Premises are occupied by such successor, it being understood that Landlord shall have no obligations to mitigate Landlord's damages by re-letting the Leased Premises. Upon re-letting, sums received by Landlord from new

lessee shall be applied first to payment of costs incident to re-letting; any excess shall then be applied to the payment of Rent due and unpaid. The balance, if any, shall be applied against the deficiency between all amounts received hereunder and sums to be received by Landlord on re-letting, which deficiency Tenant shall pay to Landlord in full, within five (5) business days of giving notice of same from Landlord. Tenant shall have no right to any proceeds of re-letting that remain following application of same in the manner set forth herein.

SECTION 11.02. Landlord's Remedies Cumulative.

Landlord retains all rights and remedies available to Landlord at law or in equity. The various rights and remedies herein granted to Landlord in this Article XI and elsewhere in this Lease shall be cumulative and in addition to any others Landlord may be entitled to by law or in equity, and the exercise of one or more rights or remedies shall not impair Landlord's right to exercise any other right or remedy. In all events, Landlord shall have the right upon notice to Tenant to cure any breach by Tenant at Tenant's sole cost and expense, and Tenant shall reimburse Landlord for such expense upon demand, together with interest as provided in section 11.03.

SECTION 11.03. Landlord's Right to Cure Tenant Defaults.

In the event of any breach by Tenant of any of Tenant's material obligations under this Lease, Landlord may, but without any obligation to do so, after giving reasonable notice to Tenant of Landlord's intention to cure, take such action on Tenant's behalf as Landlord believes, in Landlord's sole discretion, reasonably exercised, is necessary or desirable to cure Tenant's default. All funds advanced by Landlord in taking such action, including Landlord's expenses and reasonable attorney's fees incurred thereby, shall be reimbursed, together with applicable late charges, within thirty (30) days after they have been advanced. If reimbursed later, interest shall be added at the rate of two percent (2%) per month (prorated for partial months), compounded quarterly until fully repaid; *provided, however*, that such rate of interest shall be reduced if necessary to not exceed the maximum applicable legal rate, if any. that is then in force. .

SECTION 11.04. Bankruptcy.

If Landlord shall not be permitted to terminate this Lease because of the provisions of Title 11 of the United States Code relating to Bankruptcy, as amended ("Bankruptcy Code"), the Tenant as a debtor-in-possession or any trustee for Tenant agrees to assume or reject this Lease, within no more than ten (10) business days after request by Landlord to the Bankruptcy Court. Tenant, on behalf of itself and any trustee, agrees not to seek or request any extension or adjournment of any application to assume or reject this Lease by Landlord with such Court. Tenant further agrees that Tenant or any trustee for Tenant, may only assume this Lease if it (a) cures or provides adequate assurance that the trustees will promptly cure any default hereunder, (b) compensates or provides adequate assurance that Tenant will promptly compensate Landlord for any actual pecuniary loss to Landlord resulting from Tenant's defaults, and (c) provides adequate assurance of performance during the then-current term hereof of all of the terms, covenants, and provisions of this Lease to be performed by Tenant. In no event after the assumption of this Lease shall any then-existing default remain uncured for a period in excess of the earlier of ten (10) days or the

time period set forth herein. Adequate assurance of performance of this Lease, as set forth hereinabove, shall include, without limitation, adequate assurance that: (1) all Rent becoming due during the balance of the assumed Term will be timely paid, and (2) the assumption of this Lease will not breach any provision of this Lease or the Bankruptcy Code.

In the event that Landlord shall exercise any right or remedy arising out of a default under this Lease by Tenant and an attorney shall be employed to pursue such right or remedy on behalf of Landlord, Tenant shall be obligated to pay to Landlord all costs and expenses so incurred, including reasonable attorneys' fees.

ARTICLE XII

ASSIGNMENT AND SUBLETTING

SECTION 12.01. Tenant's Assignment.

Tenant acknowledges that Tenant's agreement to operate in the Leased Premises for the Permitted Use set forth in Section 1.01 hereof for the initial and any renewal term hereof is a primary inducement and precondition to Landlord's agreement to lease the Leased Premises to Tenant. Accordingly, Tenant's leasehold interest in the Leased Premises is conditioned on Tenant's use and occupancy thereof in accordance with Tenant's Permitted Use as provided in section 2.01 and is non-assignable to any third party or for any other purpose without Landlord's prior written consent, which may be withheld in Landlord's sole and absolute discretion; *provided, however*, that Landlord hereby consents to Tenant assigning this Lease to any direct or indirect subsidiary of Tenant established as a sole purpose entity to hold Tenant's interest under this Lease, *and* to any publicly-held entity that shall, by merger or otherwise acquire a controlling interest under Delaware law in Tenant or in Tenant's successors. The foregoing notwithstanding, and for avoidance of doubt, no assignment whatsoever that is made without Landlord's additional and explicit prior written release of Tenant from liability under the Lease shall be deemed to result in any such release. Any attempts by Tenant to assign Tenant's leasehold in whole or in part, or to encumber or in any manner Tenant's interest herein in violation of the preceding restrictions shall constitute a material breach of this Lease, and shall be void *ab initio*.

SECTION 12.02. Permissible Subletting.

Subletting of portions of the Building is permitted if Tenant continues at all times while such sublease(s) are in effect to occupy a material portion of the Building and continues to adhere to the requirements of Tenant's Permitted Use clause. In the event tenant subleases under other circumstances Tenant shall obtain Landlord's prior written consent, which Landlord may withhold in Landlord's sole discretion. Should a permitted or consented sublease be entered into, Tenant shall, before the subtenant takes occupancy, provide to Landlord a true and complete copy of the sublease and all related documents. Copies of all extensions or modifications of permissible subleases shall also be provided to Landlord not later than the time they become effective.

Nothing herein shall be construed as consent by Landlord and any sublessee to remain in possession of any portion of the Premises after the expiration or other termination of this Lease

SECTION 12.03. Landlord's Transfer Rights.

Landlord retains all rights to convey, transfer, and assign any or all of Landlord's right, title, and interest in the Leased Premises (and Leased Furniture) to any grantee, transferee, or assignee, expressly subject, however, to this Lease. If the grantee, transferee, or assignee has, at the time of the transaction a net worth of not less than that of Landlord, and if such grantee, transferee, or assignee expressly agrees in writing to assume and be bound by this Lease as landlord, Tenant shall furnish customary estoppel certificates for Tenant and any subtenants, and shall attorn in writing to the grantee, transferee, or assignee as landlord. Such attornment shall release the grantor, transferor, or assignor from any and all obligations to, or claims, asserted or un-asserted, by the Tenant.

ARTICLE XIII

RIGHT OF ENTRY

SECTION 13.01. Right of Entry.

After giving not less than two (2) business days' advance notice to Tenant, Landlord or Landlord's agents shall have the right to enter the Leased Premises to examine the Leased Premises, and if Landlord so desires to show them to prospective grantees, assignees, or transfers. If Landlord and Tenant have not then agreed to extend the then-current Lease Term, during the twelve (12) months prior to the expiration of such Lease Term or any renewal term, Landlord may list and advertise the Leased Premises to prospective tenants or purchasers, and post at the Leased Premises the usual notices "For Lease" or "For Sale" which notices Tenant shall permit to remain thereon without molestation.

ARTICLE XIV

LANDLORD'S RIGHT TO ENCUMBER

SECTION 14.01. Subordination to Mortgage.

Landlord represents that on the Commencement Date the Leased Premises are not subject to any mortgage or similar encumbrance. This Lease shall be subordinated to the lien of any mortgage, grant of security interest or similar lien resulting from any method of financing or refinancing ownership of the Leased Premises which Landlord or any successor-in-interest to Landlord shall obtain for the Leased Premises or any part thereof and to all advances made under

such instruments, and all renewals, modifications, extensions, consolidations and replacements thereof. The aforesaid provisions shall be self-operative and no further instrument of subordination shall be required to evidence such subordination. Tenant nevertheless covenants and agrees to execute and deliver, upon demand, such further instrument or instruments subordinating this Lease on the foregoing basis to the lien of any such financing instruments as shall be desired by Landlord and any lenders or proposed lenders. If the purchaser of the Leased Premises at any foreclosure sale or proceeding so requests, Tenant shall, provided that the lender has cured any outstanding defaults by Landlord under this Lease and the purchaser has assumed and agreed to be bound by this lease, attorn to and recognize the purchaser in such foreclosure proceeding as Tenant's landlord hereunder. Tenant hereby irrevocably appoints Landlord the attorney-in-fact of Tenant to execute and deliver such instrument or instruments within ten (10) days after Landlord gives written notice to Tenant of Landlord's intention to do so.

SECTION 14.02. Estoppel Certificate.

In the event that upon any proposed sale, transfer, assignment, or hypothecation of the Leased Premises by Landlord subject to this Lease, Tenant agrees to deliver, within ten (10) days after request therefor by Landlord, an estoppel certificate to any proposed mortgagee or purchaser, or to Landlord, certifying that this Lease is unmodified and in full force and effect (or, if there have been modifications, the same is in full force and effect as modified, and stating the modifications), that there are no defenses or offsets thereto (or stating those claimed by Tenant) and the dates to which Rent and other charges have been paid.

ARTICLE XV

SURRENDER OF LEASED PREMISES

SECTION 15.01. Condition to Surrender.

At the expiration or earlier termination of this Lease, Tenant shall surrender the Leased Premises to Landlord broom clean and in the same condition as when tendered by Landlord or may thereafter have been placed by Tenant in compliance with this Lease, reasonable wear and tear and damage from insured casualty excepted. Tenant shall promptly repair any damage to the Leased Premises caused by the removal of any furniture, trade fixtures or other personal property placed in the Leased Premises. Tenant shall have no obligation to remove any improvements to the Leased Premises upon expiration that are in compliance with this Lease or were previously approved by Landlord.

SECTION 15.02. Holding Over.

Should Tenant, with Landlord's written consent, hold over at the end of the term, Tenant shall become a Tenant at will and any such holding over shall not constitute an extension or renewal of this Lease. During such holding over, Tenant shall continue to comply with all terms

and conditions of this Lease and pay Basic Rent (and Additional Rent) at one hundred percent (110%) of the monthly rate provided for herein. If Tenant holds over at the end of the term without Landlord's written consent, Tenant shall, in addition to complying with all other terms and conditions of this Lease, pay Landlord Basic Rent at double the Basic Rent rate otherwise then applicable while Tenant remains in possession of the Leased Premises. Except as expressly agreed by the parties in writing, no holdover under this section 16.02 shall be construed as a grant of permission to Tenant to continue in possession.

ARTICLE XVI

MISCELLANEOUS

SECTION 16.01. Waiver.

The waiver by Landlord of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term or condition of this Lease shall be deemed to have been waived by Landlord, unless such waiver be in writing by Landlord.

SECTION 16.02. Accord and Satisfaction.

No payment by Tenant or receipt by Landlord of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy in this Lease provided.

SECTION 16.03. Entire Agreement.

This Lease and the Exhibits and Rider, if any, attached hereto and forming a part hereof, set forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the Leased Premises and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as are herein set forth. Except as herein otherwise provided, no subsequent alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by them.

SECTION 16.04. No Partnership.

Landlord does not, in any way or for any purpose, become a partner of Tenant in the conduct of its business, or otherwise, or joint adventurer or a member of a joint enterprise with Tenant.

SECTION 16.05. Reserved.

SECTION 16.06. Notices.

Any notice, demand, request or other instrument which may be or are required to be given under this Lease shall be delivered personally or sent by either United States certified mail postage prepaid or expedited international courier service and shall be addressed (a) if to Landlord at the address provided in Section 1.01 for Landlord or at such other address as Landlord may designate by written notice and (b) if to Tenant at the address provided in Section 1.01 for Tenant or at such other address as Tenant shall designate by written notice. Notices shall be effective upon delivery unless delivery is refused or cannot be made in which event notice shall be effective on mailing.

SECTION 16.07. Captions and Section Numbers.

The captions, section numbers, article numbers, and index appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of such section or articles of this Lease nor in any way affect this Lease.

SECTION 16.08. Tenant Defined, Use of Pronoun.

The word "Tenant" shall be deemed and taken to mean each and every person or party mentioned as a Tenant herein, be the same one or more; and if there shall be more than one Tenant, any notice required or permitted by the terms of this Lease may be given by or to any one thereof, and shall have the same force and effect as if given by or to all thereof. The use of the neuter singular pronoun to refer to Landlord or Tenant shall be deemed a proper reference even though Landlord or Tenant may be an individual, a corporation, or a group of two or more individuals or corporations. The necessary grammatical changes required to make the provisions of this Lease apply in the plural sense where there is more than one Landlord or Tenant and to either corporations, associations, partnerships, or individuals, males or females, shall in all instances be assumed as though in each case fully expressed.

SECTION 16.09. Broker's Commission.

Landlord and Tenant each warrant and represent that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation.

SECTION 16.10. Partial Invalidity.

If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the

application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

SECTION 16.11. Execution of Lease.

The submission of this Lease for examination does not constitute a reservation of or option for the Leased Premises, and this Lease becomes effective as a Lease only upon execution and delivery thereof by Landlord and Tenant. If Tenant is a corporation, Tenant shall furnish Landlord with such evidence as Landlord reasonably requires to evidence the binding effect on Tenant of the execution and delivery of this Lease.

SECTION 16.12. Recording.

Tenant agrees not to record this Lease. However, Tenant and Landlord, upon request of either, agree to execute and deliver a memorandum or so-called "short form" of this Lease in recordable form for the purpose of recordation at Tenant's expense. Said memorandum or short form of this Lease shall describe the parties, the Leased Premises and the Lease Term and shall incorporate this Lease by reference.

SECTION 16.13. Applicable Law.

The Laws of the State in which the Leased Premises are located shall govern the validity, performance and enforcement of this Lease.

SECTION 16.14. Quiet Enjoyment.

Landlord covenants that Tenant, upon paying all sums due from Tenant to Landlord, as required in this Lease, and performing and observing all of Tenant's obligation under this Lease, shall peacefully and quietly have, hold, and enjoy the Leased Premises and the appurtenances throughout the Lease Term without interference by the Landlord, subject, nevertheless, to other terms and provisions of this Lease.

SECTION 16.15. Time of Essence.

Time is of the essence of this Agreement.

SECTION 16.16. Successors and Assigns.

Except as otherwise provided herein, this Lease shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, executors, successors and assigns.

SECTION 16.17. Survival of Obligations.

The provisions of this Lease with respect to any obligation of Tenant to pay any sum owing in order to perform any act after the expiration or other termination of this Lease shall survive the expiration or other termination of this Lease.

SECTION 16.18. Counterclaim and Jury Trial.

In the event that the Landlord commences any summary proceedings or action for non-payment of rent or other charges provided for in this Lease, Tenant and Landlord both waive a trial by jury of any or all issues arising in any action or proceeding between the parties hereto or their successors, under or connected with this Lease, or any of its provisions.

SECTION 16.19. Representations.

Tenant acknowledges that neither Landlord nor Landlord's agents, employees or contractors have made any representations or promises with respect to the Leased Premises, the Globalstar HQ or this Lease except as expressly set forth herein.

ARTICLE XVII

TENANT'S RIGHTS TO ACQUIRE THE LEASED PREMISES

SECTION 17.01. Option to Purchase.

(a) Landlord hereby grants Tenant an option to purchase the entire Leased Premises (the "Option") at any time through January 31, 2020, said Option to be upon the terms and conditions below.

(i) Purchase Price. The purchase price for the Leased Property shall be Nineteen Million Nine Hundred Eighty-Six and 00/100 Dollars (\$19,986,000).

(ii) Closing. The closing of the purchase of the Leased Property by Tenant (the "Closing") shall occur at a time and place to be fixed by Landlord, but shall occur not later than 30 days after Tenant exercises its Option in the manner set forth hereafter.

(iii) Deed. If Tenant exercises its Option, Landlord shall convey the real property to Tenant by a recordable deed of general warranty, title thereto to be subject to real estate taxes and installments of assessments, if any, not delinquent on the date of Closing, easements, restrictions and agreements of record, current leases of all or a portion of the Property and rights of the public in adjacent rights-of-way. Personal property included as part of the Leased Premises shall be transferred by good and sufficient Bill of Sale, also subject to personal property taxes not delinquent. Tenant shall pay all conveyance fees

and all other costs of any nature associated with the Closing, including landlord's reasonable transaction costs of any nature whatsoever.

(iv) Prorations and Security Deposits. Real estate taxes and all other costs and expenses of any nature that Tenant is responsible for under the Lease shall be paid or assumed by Tenant.

(v) Condition of property. The Leased Property shall be sole and conveyed free and clear of any financing-based liens created by Landlord, and in all other respects on a strictly "as is" basis without warranty of any kind, other than customary warranties in the general warranty deed referred to above.

(vi) Broker's Commission. Should Landlord or Tenant become liable as a result of this transaction for any real estate broker's or other service provider's fees the party incurring such fees shall pay the fee in full at Closing, and shall defend and save harmless the other against the claim of any service provider allegedly or actually engaged by the indemnifying party.

(vii) Exercise. Tenant must exercise its Option by delivering, not later than January 31, 2021, written notice of exercise to Landlord. Failure to do so will result in all of Tenant's rights under this section 17.01 becoming null and void.

(viii) Supplemental Terms and Conditions. Regardless of whether such additional terms and conditions are accepted as customary for a transaction of this nature, either party may propose, but neither party shall be obligated to enter into, additional terms and conditions for a transaction pursuant to this section 17.01.

SECTION 17.02. Right of First Refusal.

If, at any time during the initial Term of this Lease, Landlord receives from a third party a bona fide offer to purchase the Leased Premises or any part thereof and is prepared to enter into a bona fide agreement to sell according to the offer (an Agreement to Sell), Landlord shall provide an un-redacted, complete copy of the Agreement to Sell to Tenant. Within 10 business (10) days thereafter, Tenant may submit an offer to purchase the Leased Premises (or applicable portion thereof) on the same terms and conditions as the pending Agreement to Sell. If Tenant's offer is timely, and is identical in all material respects to the Agreement to Sell, Landlord shall, within three (3) business days after receiving Tenant's offer, either decline or rescind both offers, or accept Tenant's offer and decline the offer previously received. If the Tenant's offer is accepted, Closing of the sale shall occur not sooner than 30 nor later than 90 days after Landlord has accepted Tenant's offer, and the transaction shall close accordingly.

SECTION 17.03 Condition for Exercise and Closing

Notwithstanding anything to the contrary in sections 17.01, 17.02, and elsewhere in this Lease, neither the foregoing Option to Purchase nor Right of First Refusal shall be of any force and

effect whatsoever if, at the time of exercise or the time of closing of either of the said transactions, Tenant shall be in default of any of Tenant's obligations under this Lease.

Signatures on following page.

IN WITNESS WHEREOF, the parties hereto have executed this Lease this day and year first above written.

WITNESSES: (Landlord) LANDLORD: THERMO COVINGTON, LLC

/s/ F. Lee Robinson By: /s/ William Schwab
Printed Name: William Schwab
/s/ Rachel Friedkin Its: Manager
Date: 2/1/2019

TENANT: GLOBALSTAR, INC.

/s/ James A. Seese By: /s/ David B. Kagan
Printed Name: David B. Kagan
/s/ John Nugent Its: CEO
Date: Jan 31, 2019

LANDLORD ACKNOWLEDGEMENT

STATE OF LOUISIANA
PARISH OF ST. TAMMANY

On this 1st day of February, 2019, before me, a Notary Public, in and for the aforesaid Parish and State, appeared to me **William Schwab, Manager of Thermo Covington LLC**, personally known, who, being by me duly sworn, did say that he executed the foregoing instrument in the above stated capacity and that he acknowledged the instrument to be his free act and deed.

/s/ Christine J. Harkness
Notary Public
My Commission Expires: 9/20/19

TENANT ACKNOWLEDGEMENT

STATE OF LOUISIANA
PARISH OF ST. TAMMANY

On this 31st day of January, 2019, before me, a Notary Public, in and for the aforesaid Parish and State, appeared **David Kagan, Chief Executive Officer of Globalstar, Inc.**, to me personally known, who, being by me duly sworn, did say that he executed the foregoing instrument in the above stated capacity and that he acknowledged the instrument to be his free act and deed.

/s/ Michael A. Tassin Jr.
Notary Public Michael A. Tassin, Jr.

My Commission Expires: At Death

Exhibit A

Leased Premises and Building footprints

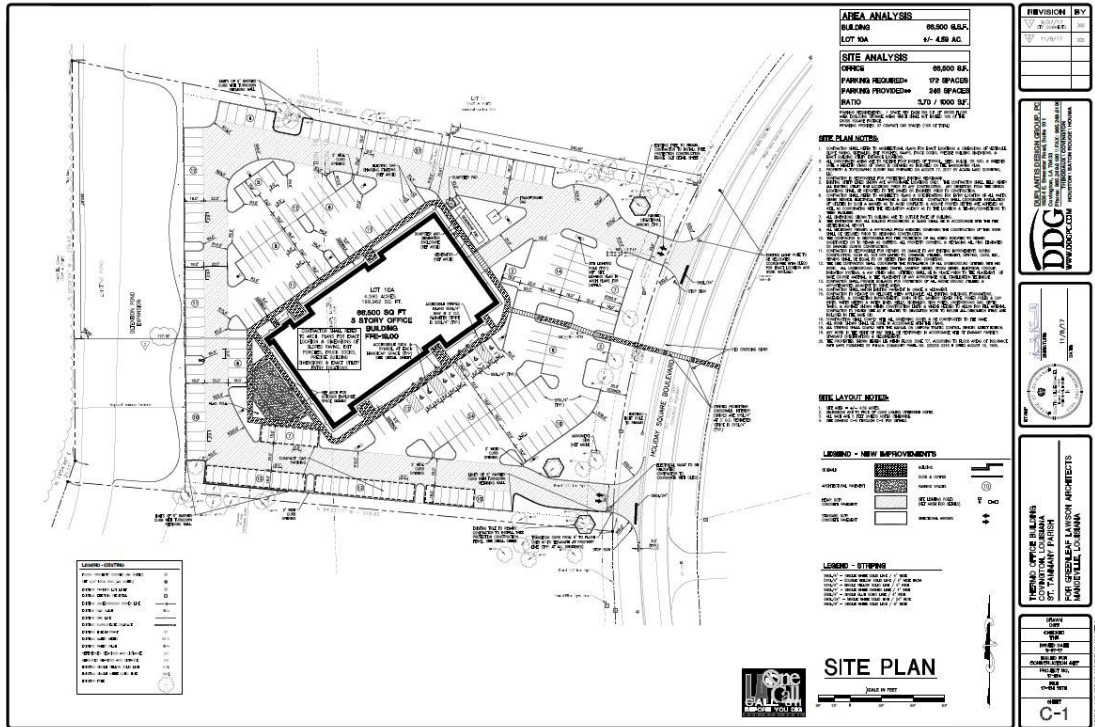


Exhibit B
List of Leased Furniture
See attached

Exhibit C

Acceptance of Leased Premises

Landlord and Tenant acknowledge that on January 30, 2019, Owner and Landlord, i.e. Thermo Covington LLC, received a Certificate of Occupancy for the Building from the Louisiana Fire Marshal. Landlord and Tenant further acknowledge that as of the Commencement Date there remain pending: (1) delivery of certain of the items of Leased Furniture [the Leased Furniture being listed in its entirety Exhibit B], and (2) completion of certain “punch list” items the under the Agreement between Owner and Contractor [DonahueFavret Contractors Inc.] for construction of the Building. The forgoing two matters are collectively referred to below as the “Unfinished Work “

After thorough inspection of the Building in its current state, Tenant agrees to accept and occupy, without qualification or exception, the Leased Premises “as is, where is, and with all faults.” In consideration of Landlord permitting Tenant to occupy the Leased Premises under such circumstances, Tenant: (1) assumes all risks of any nature whatsoever arising out of the Building’s current condition; (2) agrees to indemnify and hold harmless Landlord from any liabilities, losses, and controversies arising out of Tenant’s immediate possession and usage of the presently delivered portion of the Leased Furniture; and (3) assumes sole responsibility for achieving final completion of the Unfinished Work, acting in both instances as Landlord’s agent. Landlord agrees to observe and timely perform all of Owner’s duties to Contractor under the Agreement between Owner and Contractor, including without limitation keeping in effect until March 1, 2019 the existing policy of builder’s risk insurance under the said Agreement and timely payment of remaining amounts becoming due to the Contractor thereunder.

Initialed:

W.S, Manager, Thermo Covington LLC

D.K., C.E.O., Global star, Inc.

Certification of Chief Executive Officer

I, David B. Kagan, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Globalstar, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusion about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2019

By: /s/ David B. Kagan

David B. Kagan

Chief Executive Officer (Principal Executive Officer)

Certification of Chief Financial Officer

I, Rebecca S. Clary certify that:

1. I have reviewed this quarterly report on Form 10-Q of Globalstar, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15(d)-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusion about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2019

By: /s/ Rebecca S. Clary

Rebecca S. Clary

Chief Financial Officer (Principal Financial Officer)

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Globalstar, Inc. (the "Company"), does hereby certify that:

This quarterly report on Form 10-Q for the quarter ended March 31, 2019 of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 2, 2019

By: /s/ David B. Kagan

David B. Kagan

Chief Executive Officer (Principal Executive Officer)

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Globalstar, Inc. (the "Company"), does hereby certify that:

This quarterly report on Form 10-Q for the quarter ended March 31, 2019 of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 2, 2019

By: /s/ Rebecca S. Clary

Rebecca S. Clary

Chief Financial Officer (Principal Financial Officer)